厦门信达
XINDECO 国贸控股核心企业

Sustainability Report
2024

XINDECO

Address: 11F, Block A, ITG Center, No. 4688 Xianyue Road, Huli District, Xiamen City
Zip Code: 361016
Tel: +86 592 6021391
Website: http://www.xindeco.com/

Xiamen Xindeco Ltd.

CONTENTS

Appendix

1 ENVIRONMENT

2 SOCIETY

3 GOVERNANCE

About This Report

This is the 2024 Sustainability Report ("this report") released by Xiamen Xindeco Ltd. (referred to as "Xindeco" or "We"). This report aims to present stakeholders with an overview of ESG performance and initiatives of Xindeco in 2024.

Reference Guidelines

This report is prepared in accordance with the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. It also follows the Guidelines No. 17 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Sustainability Report (Trial) and the Guide No.3 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Preparation of Sustainability Report issued by the Shenzhen Stock Exchange, the Sustainability Accounting Standards Board (SASB) Standards, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards(ISDS) issued by the International Sustainability Standards Board (ISSB). Additionally, this report incorporates disclosure requirements aligned with the United Nations Sustainable Development Goals (SDGs).

Reporting Scope

The reporting period is between January 1, 2024, and December 31, 2024, and some parts of the report are beyond the aforementioned scope. Unless otherwise specified, the environmental, social, and economic data disclosed in this report include all enterprises within the scope of the consolidated statement of Xindeco.

Report Availability and Feedback

The report will be published once a year in electronic format in both Simplified Chinese and English. In the event of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report can be accessed and downloaded from the Shenzhen Stock Exchange website (www.szse.cn) and the cninfo website (www.cninfo.com. cn). If you have any comments or suggestions, please feel free to email wangxs@xindeco.com.cn or lipf@xindeco.com.cn. We will strive to make improvements the report based on your feedback.

Explanatory Note

Abbreviation	Full Name
Xindeco or We	Xiamen Xindeco Co., Ltd.
Xindeco	Xiamen Xindeco Co., Ltd. and its subsidiaries
Xindeco Digital Intelligence Technology	Digital Intelligence Technology Division of Xiamen Xindeco Co., Ltd.
Xindeco Electronic Information Technology	Xiamen Xindeco Electronic Information Technology Co., Ltd.
Xiamen Xindeco IoT	Xiamen Xindeco IoT Technology Co., Ltd.
Xindeco Optoelectronics	Xiamen Xindeco Optoelectronics Co., Ltd.
Xindeco Supply Chain	Supply Chain Division of Xiamen Xindeco Co., Ltd.
Xindeco Non-Ferrous Metals	Non-Ferrous Metals Division of Xiamen Xindeco Co., Ltd.
Xindeco Ferrous Metals	Ferrous Metals Division of Xiamen Xindeco Co., Ltd.
Xindeco ITG Automobile Group	Xiamen Xindeco ITG Automobile Group Co., Ltd.
Xindeco Intelligent IoT	Xiamen Xindeco Intelligent IoT Technology Service Co., Ltd.
Shandong Xindeco IoT	Shandong Xindeco IoT Applied Technology Co., Ltd.
Xindeco IoT Malaysia	Xindeco IoT Malaysia Sdn. Bhd.

Chairman's Statement

As time goes by, we have witnessed the transformations shaping our era, with the global economy surging amidst profound changes and waves of technological innovation continuously reshaping the future. In 2024, Xiamen Xindeco proudly celebrated forty years of growth and achievements. Looking back to our founding in 1984, we have remained resolute in our original aspirations, adapting to the evolving environment, continuously redefining our technological core, and forging our path through innovation and responsibility. This year, we actively responded to the national call for the development of new quality productive forces, aligning ourselves with the wave of digital and intelligent transformation. We officially established the Xindeco Digital Intelligence Technology Division, driving industrial upgrading with technological empowerment and building an efficient, intelligent, and globally oriented digital platform, a foundation for a sustainable future. We made solid progress in our internationalization strategy, with our RFID production line ventured overseas for the first time and Xiamen Xindeco IoT's inaugural overseas factory being established in Malaysia. Our supply chain business accelerated the transformation and upgrading by deepening the integration of supply, manufacturing, and sales chains, further extending the service boundaries. Our automobile dealership business continued to expand in new energy vehicles and export markets, while also tapping into the potential of the used car and parallel import sectors. We are deeply aware that sustainable development is not merely a strategic imperative, but a corporate

responsibility, a commitment to seeking breakthroughs amid change, and continuously enhancing product value and core competitiveness to earn the long-term trust and support of our customers. Looking ahead, we will continue to uphold an open, innovative, and responsible spirit, moving forward with unwavering determination. Together with all our partners, we will forge a future of greater sustainability, intelligence, and shared success.

Low-Carbon Commitment- Pioneering Green Development

Addressing climate change has become a global consensus, and green development is the inevitable path for enterprises toward the future. In 2024, we committed to sustainable development principles, prioritizing low-carbon manufacturing, energy efficiency, and environmental improvements to accelerate the green and intelligent transformation of our entire business value chain and support the achievement of our carbon peaking and net-zero targets.We continuously optimized production processes to enhance resource efficiency, implemented energy-saving technologies in smart manufacturing and modern logistics to reduce energy consumption and carbon emissions, and advanced the green transformation of our supply chain by promoting sustainable warehouse management and prioritizing the use of renewable and recyclable materials. Through technological innovation, we are committed to decarbonizing our operations and supply chains. We are dedicated to integrating low-carbon practices into every aspect of our business and building a more

sustainable future through responsibility and innovation.

Collective Responsibility- Building a Value-Sharing Ecosystem

The company growth is intrinsically linked to society, and it bears the responsibility to contribute in return. In 2024, we remained steadfast in fulfilling our corporate social responsibilities, leveraging our industrial strength to drive sustainable societal progress and foster the integration of economic and social value. We harnessed our industrial and resource advantages to support rural revitalization, enhanced the brand value and competitiveness of the agricultural industry chain, and contributed to the long-term growth of local economies. We actively mobilized resources for educational initiatives, cultivated talent for rural revitalization and promoted the education across communities. We placed strong emphasis on community development, conducted philanthropic programs, and advanced initiatives in healthcare, culture, and social welfare, thereby promoting the sustained enhancement of social well-being.

We continued to refine our talent development framework, fostering a fair, diverse, and inclusive working environment to drive the shared growth of our employees and the company. Through concrete actions, we are earnestly fulfilling our duties and contributing to create lasting social value.

Governance Excellence- Securing Resilient Foundations

A sound governance framework is the cornerstone for a

company's long-term, steady development. In 2024, we kept enhancing our corporate governance structure, embedding sustainability goals deeply into our business operations and advancing governance modernization.

Through more transparent, efficient, and standardized management practices, we ensured the company's long-term health and resilience. We strengthened the functioning of the Board of Directors, improved the strategic decision-making process, reinforced the internal control system, and optimized risk management procedures, thereby enhancing the compliance and risk resilience across operations. We also focused on improving the quality of information disclosure and strengthening engagement with investors, employees, customers, and other stakeholders, ensuring that our development remains aligned with long-term interests. We firmly believe that with excellent governance as the foundation, a company can maintain resilience amidst uncertainties and achieve steady, sustainable progress into the future.

Amidst the constant change, only an unswerving commitment to long-termism enables steady progress through the currents of the times. Looking to the future, we will continue to uphold the principles of openness, innovation, and responsibility, harnessing technology to empower industries, leading the way with green solutions, and broadening cooperation from a global perspective. Together with our partners, we will collaboratively create a greener, smarter, and more sustainable future defined by shared success.

2024 Sustainable Development Impact

Economic Impact

Total asset
12,835,316.08 thousand RMB

Operating revenue
43,785,518.00 thousand RMB

R&D investment
45,679.46 thousand RMB

Environmental Impact

Total environmental protection input
1,256.30 thousand RMB

GHG emission intensity
58.97 tCO$_2$e / hundred-million RMB of operating revenue

Energy intensity
14.48 Tons of coal equivalent / hundred- million RMB of operating revenue

Water use intensity
1,054.25 m^3 / hundred-million RMB of operating revenue

Social Impact

Total tax payment
249,582.10 thousand RMB

Employee compensation and benefits
668,318.56 thousand RMB

Total consumption-based assistance input
786.99 thousand RMB

Total occupational health and safety input
3,245.92 thousand RMB

Total employees
3,998 persons

Volunteer service hours
1,135 hours

Total employee training hours
63,329 hours

2024 Honors and Awards

Xiamen Xindeco Ltd.

The **"2023 Top 20 Global Iron Ore Trading Suppliers"** awarded by Ganglian Holdings

15th place in the Comprehensive List of the Top 100 National Steel Trading Enterprises recognized by Ganglian Holdings

9th place in the Construction Steel List of the Top 100 National Steel Trading Enterprises recognized by Ganglian Holdings

"2023-2024 China Excellent Trading Enterprise for Steel Export" recognized by Ganglian Holdings

"Long-term Reliable Supplier of Iron Ore" recognized by Ganglian Holdings

"Outstanding Contribution Award in Tin Industry for 2024" granted by Ganglian Holdings

"2024 Excellent Enterprise for ESG Practice" awarded at the 19th Employer Brand Promotion Conference organized by CHIRC

"2024 Top 30 Decent Enterprises for Shared Development" by the FESCO, the Economic Observer, and the Positive Psychology Research Center of School of Social Sciences, Tsinghua University

"2024 Outstanding Social Enterprises - 2024 Human Resources Management Excellence Awards" granted by HRoot

"2024 Best Employer" at the 19th Employer Brand Promotion Conference organized by CHIRC

"2024 Human Resources Management Innovation Enterprises" at the 19th Employer Brand Promotion Conference organized by CHIRC

"The 6th YunTu Awards – Excellence Prize in Digital Empowerment and Innovation Practice" jointly presented by the Institute of Organization and Talent Development, the CEIBS Business Review, and YXT

Xiamen Xindeco Optoelectronics Co., Ltd.

85th place in the "2023 Top 100 Chinese LED Lighting Companies" ranked by the Grand Lighting Industry Research Institute

Xiamen Xindeco IoT Technology Co., Ltd.

"2023 Top 100 Chinese IoT Enterprises" jointly presented by the China Internet of Things Industry Alliance and the Shenzhen Internet of Things Industry Association

"Passive IoT Innovation Demonstration Enterprises" presented by the AIoT Technology and Industry Association

Xiamen Xindeco ITG Automobile Group Co., Ltd.

46th place in the **"2024 Top 100 Chinese Automobile Dealer Groups"** ranked by the China Auto Dealers Chamber of Commerce

59th place in the **"2024 Top 100 Chinese Automobile Dealer Groups in New Energy Vehicle Sub-List"** ranked by the China Auto Dealers Chamber of Commerce

"Top 100 Social Responsibility Enterprises in China Automobile Dealership Industry" recognized by the China Auto Dealers Chamber of Commerce

"2024 Regional Outstanding Automotive Marketing Group" recognized by Yiche.com

"2024 Trustworthy Enterprise in China Automobile Dealership Industry" recognized by the China Auto Dealers Chamber of Commerce

"Honest Automobile Dealer in Xiamen for 2024" recognized by Xiamen Daily

"2024 Excellent Case of Marketing Innovation Projects of Chinese Automobile Dealers" recognized by the China Automobile Dealers Association

Management of Material Matters

We conduct double materiality assessments in alignment with the latest domestic and international disclosure frameworks, including the Sustainability Disclosure Standards for Enterprise - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission. We also follow the Guidelines No. 17 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Sustainability Report (Trial) and the Guide No.3 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Preparation of Sustainability Report issued by the Shenzhen Stock Exchange, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards(ISDS) issued by the International Sustainability Standards Board (ISSB), to perform assessment and identify material sustainability matters that have significant impacts on the company's long-term value and stakeholders.

During the double materiality assessment process, we evaluated sustainability matters from two dimensions: In conducting the double materiality assessment, we collected evaluation opinions from 318 stakeholders through questionnaires, focusing on the impact of sustainability matters on our financial performance (financial materiality) and on environment and society (impact materiality). By analyzing both dimensions, we identified 12 material matters, which are addressed in the corresponding sections of this report.

Double Materiality Assessment Approach

Double Materiality Assessment Process

Understanding the Context and Identifying

The company identified 30 potential key matters based on five factors and formed a proposed sustainability matters list.

1 Step

Impact and Financial Materiality

The company evaluated the impact materiality and financial materiality of each matter based on two dimensions: severity of impact and likelihood of occurrence.

2 Step

3 Step

Consolidating Impact and Financial Materiality Outcomes

Based on the data from Step 2, the company developed the Materiality Matters Matrix for 2024 and determined the priority of sustainability matters for the year.

4 Step

Analyzing the outcomes for sustainability reporting and practices

The Strategy and Sustainability Committee reviewed the analysis results and the company took targeted actions to improve the disclosure and practices based on the results.

Step 1: Identifying Sustainability Matters

We identified a list of sustainability matters relevant to our company based on five factors including sustainability disclosure standards, international initiatives, global economic and macro-policy dynamics, market trends, and our company strategy and development needs, while also taking into account our business characteristics.

1 Sustainability Disclosure Standards

Sustainability Disclosure Standards for Enterprise - General Requirements (Trial), jointly formulated by the Ministry of Finance of the People's Republic of China, the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment, the Ministry of Commerce, the People's Bank of China, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the National Financial Regulatory Administration, and the China Securities Regulatory Commission, the Guidelines No. 17 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Sustainability Report (Trial) and the Guide No.3 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Preparation of Sustainability Report issued by the Shenzhen Stock Exchange, the Sustainability Accounting Standards Board (SASB) Standards, the Reference of ESG Indicators System for ESG Reports of Listed Chinese Central State-Owned Enterprises issued by the SASAC Research Center, the European Sustainability Reporting Standards (ESRS) released by the European Commission, and the two IFRS Sustainability Disclosure Standards(ISDS) issued by the International Sustainability Standards Board (ISSB).

2 International Initiatives

The United Nations Sustainable Development Goals (SDGs), the 29th Conference of the Parties of the UNFCCC (COP 29), the Due Diligence Guidance for Responsible Business Conduct of Organisation for Economic Co-operation and Development (OECD), etc.

3 Economic and Macro-Policy Dynamics

The National carbon peaking and carbon neutrality goals, global temperature control targets under the Paris Agreement, Science Based Targets initiative (SBTi), Responsible Business Alliance (RBA), Global enabling Sustainability Initiative (GeSI), trends in digital transformation and supply chain restructuring, green manufacturing and circular economy, automotive industry policies such as trade-in of old consumer goods and consumer subsidies,

4 Market Trends

Shifting consumer preferences driving increased demand for sustainable products, diversified and dynamic customer needs, greater value chain transparency, and higher certification requirements for international business.

5 Company Strategy and Development Needs

Pursuit of sustainable growth, development of new quality productive forces, and advancement of high-quality development.

Sustainability Matters List

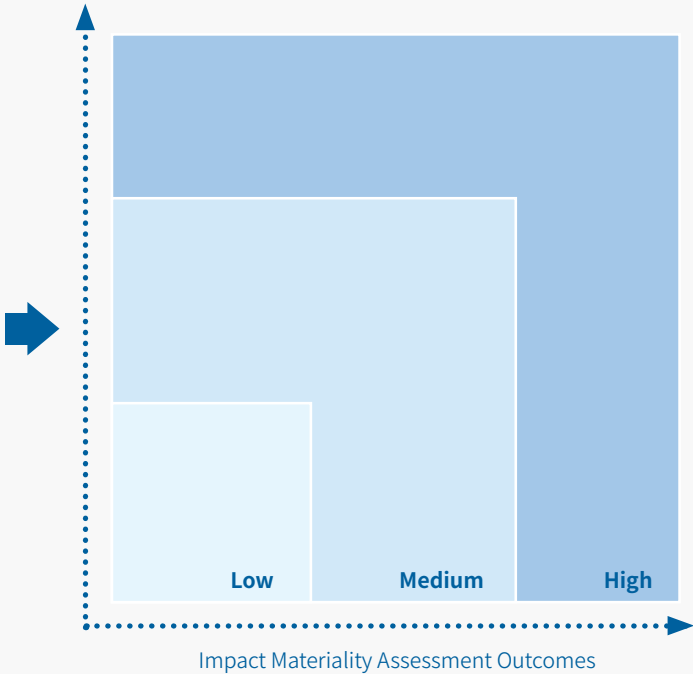| Dimension	Sustainability Matters	
Environmental	· Climate Response · Pollutant Discharge · Waste Disposal · Ecosystem and Biodiversity Protection	· Environmental Compliance Management · Energy Utilization · Water Resources Utilization · Circular Economy
Social	· Rural Revitalization · Social Contributions · Innovation-Driven Development · Ethics of Science and Technology · Responsible Sourcing · Supply Chain Security · Equal Treatment of SMEs · Product and Service Safety and Quality	· Data Security and Customer Privacy · Contributing to Industry Development · Equal Employment · Human Rights Protection · Employee Communication · Employee Development and Training · Employee Compensation and Benefits · Occupational Health and Safety
Governance	· Due Diligence · Stakeholder Engagement · Risk and Compliance Management	· Anti-Commercial Bribery and Anti-Corruption · Anti-unfair Competition · Tax Compliance

Step 2-1： Impact Materiality Assessment

Criteria 1: Severity of Impact

We assessed the "severity of impact " of key sustainability matters across economic, environmental, and social dimensions through stakeholder surveys, with 318 valid questionnaires returned. We used statistical methods such as weighted averages and variance analysis to quantify the qualitative scores (1-5 scale) of each matter. The overall severity score was calculated by combining the weight distribution to determine the materiality of sustainability matters.

Criteria 2: Likelihood of Occurrence

We inferred the risk probability based on the frequency of similar events in the past and classified and quantified the likelihood of risk occurrence based on experience, to determine the likelihood of occurrence of sustainability matters.

	Low	Medium	High

Impact Materiality Assessment Outcomes

2024 Impact Materiality Assessment Outcomes

Sustainability Matters	Impact Materiality: Low	Impact Materiality: Medium	Impact Materiality: High
	• Ethics of Science and Technology	• Circular Economy • Waste Disposal • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Ecosystem and Biodiversity Protection • Rural Revitalization • Social Contributions • Equal Treatment of SMEs • Data Security and Customer Privacy • Contributing to Industry Development • Anti-Commercial Bribery and Anti-Corruption • Anti-unfair Competition • Tax Compliance	• Climate Response • Energy Utilization • Product and Service Safety and Quality • Responsible Sourcing • Supply Chain Security • Innovation-Driven Development • Occupational Health and Safety • Human Rights Protection • Equal Employment • Employee Communication • Employee Development and Training • Employee Compensation and Benefits • Risk and Compliance Management • Due Diligence • Stakeholder Engagement

Step 2-2： Financial Materiality Assessment

We assessed the financial materiality of each matter based on two criteria: the potential magnitude and the likelihood of occurrence.

Criteria 1: Potential Magnitude

The direct and indirect, positive and negative effects that the opportunities and risks associated with each material sustainability matter may bring to the company's financial performance during the reporting period and in future projections.

Criteria 2: Likelihood of Occurrence

The likelihood of financial effects on the company from the opportunities and risks associated with each material sustainability matter in the short, medium, and long-term.

Reference Factors	
Costs	Considering factors such as market price of resources, trend forecasts, and the company's historical costs
Profits	Taking into account both costs and revenues, and assessing the impact on profits

Financial Materiality Assessement Outcomes

Financial Materiality：Low[1]	Financial Materiality： Medium[2]	Financial Materiality： High[3]
• Equal Employment • Employee Compensation and Benefits • Employee Communication • Anti-unfair Competition • Tax Compliance • Waste Disposal • Ethics of Science and Technology • Ecosystem and Biodiversity Protection • Pollutant Discharge	• Anti-Commercial Bribery and Anti-Corruption • Water Resources Utilization • Social Contributions • Equal Treatment of SMEs • Contributing to Industry Development • Human Rights Protection • Data Security and Customer Privacy • Employee Development and Training • Stakeholder Engagement • Environmental Compliance Management • Rural Revitalization	• Climate Response • Product and Service Safety and Quality • Innovation-Driven Development • Responsible Sourcing • Risk and Compliance Management • Supply Chain Security • Circular Economy • Energy Utilization • Occupational Health and Safety • Due Diligence

Note 1: Financial Materiality "Low" refers to potential impact in the short, medium, and long term, but the severity may not be material.
Note 2: Financial Materiality "Medium" indicates an impact in the short term with futher potential impact in the medium and long term.
Note 3: Financial Materiality "High" signifies a considerable short-term impact with a strong likelihood of material impact in the medium and long term.

Step 3：Consolidating Impact and Financial Materiality Outcomes

We consolidated the impact materiality and financial materiality assessment outcomes of various sustainability matters in the form of a materiality matrix, identifying a total of 12 material matters.

Impact and Financial Materiality	Sustainability Matters	

High

16 Product and Service Safety and Quality
13 Responsible Sourcing
1 Climate Response
14 Supply Chain Security
11 Innovation-Driven Development
24 Occupational Health and Safety

27 Risk and Compliance Management
25 Due Diligence
20 Human Rights Protection
22 Employee Development and Training
6 Energy Utilization
8 Circular Economy

Medium

7 Water Resources Utilization
19 Equal Employment
21 Employee Communication
23 Employee Compensation and Benefits
18 Contributing to Industry Development
26 Stakeholder Engagement
15 Equal Treatment of SMEs
17 Data Security and Customer Privacy

10 Social Contributions
9 Rural Revitalization
28 Anti-Commercial Bribery and Anti-Corruption
5 Environmental Compliance Management
29 Anti-unfair Competition
3 Waste Disposal
12 Ethics of Science and Technology
30 Tax Compliance

Low

2 Pollutant Discharge

4 Ecosystem and Biodiversity Protection

Xindeco Materiality Matrix

Impact Materiality

Financial Materiality

- Environment
- Society
- Governance
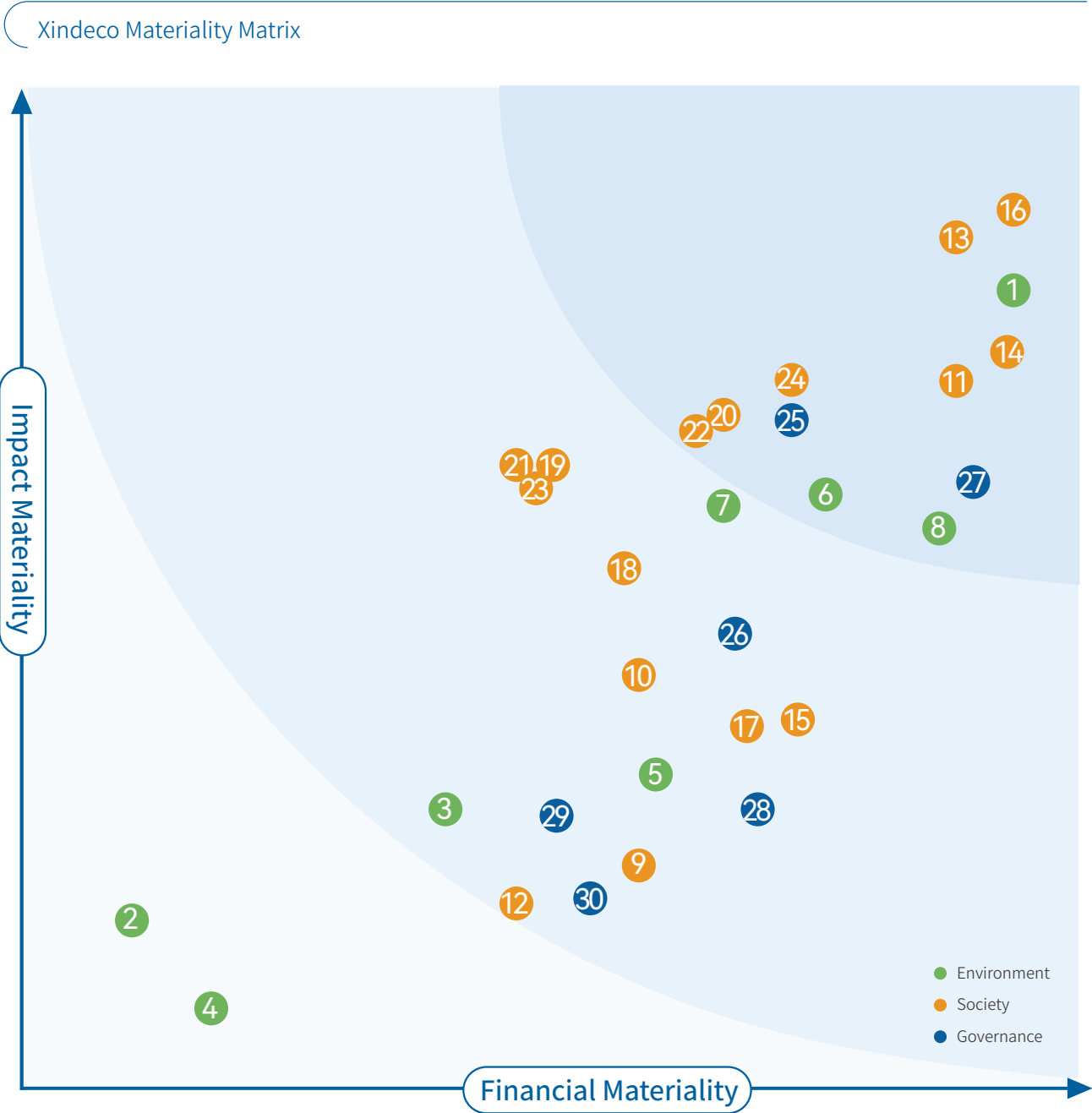
Step 4： Reporting and Practice Guidance

The results of the company's materiality assessment of material matters were reviewed by the Strategy and Sustainability Committee. Detailed information regarding the management and annual performance of these matters is provided in the relevant sections of this report.

Material Matter	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Impact Duration[1]	Corresponding SDGs	Location in the Report
	Value Chain Up-stream	Opera-tions	Value Chain Down-stream	Communi-ties						
Climate Response	✓	✓	✓	✓	• Employees • Customers • Suppliers • Investors • Banks • Media Institutions • Government and Regulatory Authorities • Non-governmental Organizations	• The extreme weather and natural disasters caused by climate change may result in asset losses or impairments for the company, and lead to increased costs. • Low-carbon products are more favored by consumers, and traditional businesses may face a decline in market share and business contraction. • Short-term financial costs for the company may increase due to investments in the research and development of green and low-carbon products.	• Developing a green, low-carbon, and sustainable business development model to enhance the company's responsible brand image. • Developing innovative products that meet the demands of green and low-carbon development, and enhancing the green competitiveness of products and services in the market driven by the green low-carbon transformation. • Financial institutions and investors are more inclined towards green and low-carbon projects. Companies promoting green and low-carbon development are more likely to attract capital market interest and secure lower financing costs.	Short-term, Medium-term, and Long-term	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Climate Response Circular Economy
Circular Economy	✓	✓	✓	✓	• Customers • Suppliers • Banks • Media Institutions • Government and Regulatory Authorities • Non-governmental Organizations	• If a company's production operations and products fail to meet the increasing policy and market demands for resource recycling, it may impact the company's market competitiveness and that of the company's products. • Innovative investments in resource recycling and other areas may increase the company's financial costs in the short term. • Policies and regulations related to energy transition are becoming stricter in various countries and regions, and traditional energy or high-energy-consuming equipment may be phased out, leading to asset depreciation. • Energy structure adjustments impact the stability of the supply chain, and limited supply of key resources may increase related costs. • Promoting clean energy use and optimizing the energy structure, such as investing in photovoltaic rooftops, may increase financial costs for the company in the short term.	• Strengthening resource recycling to enhance overall operational quality, efficiency, and reduce operational costs. • Promoting the circular economy to expand the scale of related businesses under the support of sustainable development policies and market preferences.	Medium-term and Long-term	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Circular Economy
Energy Utilization	✓	✓			• Customers • Suppliers	• Policies and regulations related to energy transition are becoming stricter in various countries and regions, and traditional energy or high-energy-consuming equipment may be phased out, leading to asset depreciation. • Energy structure adjustments impact the stability of the supply chain, and limited supply of key resources may increase related costs. • Promoting clean energy use and optimizing the energy structure, such as investing in photovoltaic rooftops, may increase financial costs for the company in the short term.	• Optimizing energy structure to reduce reliance on fossil fuels and mitigate risks associated with energy supply instability. • Continuously reducing the company's carbon footprint and enhance the ability to manage risks arising from energy transition.	Medium-term and Long-term	7 AFFORDABLE AND CLEAN ENERGY	Climate Response Energy Utilization
Product and Service Safety and Quality	✓	✓	✓	✓	• Customers • Suppliers	• If products and services fail to meet industry standards or regulatory requirements, it may result in administrative penalties, product recalls, lawsuits, increased repair costs, insurance fees, or even hefty fines or legal compensation. • Quality or safety issues may lead to consumer complaints, media exposure, harm to brand image, and customer loss.	• High quality and safety can establish a reliable brand image, build long-term consumer trust, and increase product repurchase rates and word-of-mouth marketing. • In a competitive market, excellent products and services become a core competitive advantage, attracting high-value customers focused on safety and experience, facilitating entry into high-end or international markets and expanding business boundaries. • Strict quality and safety controls reduce product defects, after-sales complaints, and recall incidents, and over time, lower hidden costs such as repair, compensation, and fines.	Short-term, Medium-term, and Long-term	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Product and Service Safety and Quality
Innovation-Driven Development	✓	✓	✓		• Employees • Customers • Suppliers • Investors	• R&D activities typically require significant investment and long cycles; if technological breakthroughs are not achieved or results fall short of expectations, projects may fail, leading to wasted resources and losses on R&D investments. • If innovative products deviate from market needs and are poorly received by consumers, commercialization may fail, preventing recovery of R&D costs. • Substantial R&D expenditures may strain the company's cash flow and if short-term returns are not realized, it could trigger financial crises or impact other business operations. • Leakage or infringement of core technologies could cause the company to lose its competitive edge and if the company infringes upon others' intellectual property rights, it may face legal disputes and significant compensation liabilities. • Loss or insufficient capabilities of core R&D personnel may result in project delays or lower innovation quality.	• R&D and innovation can generate entirely new business models, breaking traditional growth bottlenecks. Early launch of innovative products or solutions can quickly capture market share and establish industry leadership. • Through patents, proprietary technologies, or unique services, companies can build strong competitive moats that are difficult for rivals to replicate, enhancing market share and competitiveness. • High-tech enterprises may benefit from preferential tax policies, and qualified R&D investments may receive corresponding fiscal incentives or grants. • R&D efforts in automation, digitalization, and other areas can optimize production processes, improve efficiency, and reduce long-term operational costs.	Medium-term and Long-term	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Innovation-Driven Development

Note1:Impact Duration Description:Short-term generally refers to within one year (inclusive) after the end of the reporting period; mid-term refers to one to five years (inclusive) after the end of the reporting period; long-term refers to more than five years after the end of the reporting period.
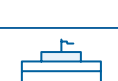
Material Matter	Scope of Impact				Affected Stakeholders	Risks	Opportunities	Impact Duration[1]	Corresponding SDGs	Location in the Report
	Value Chain Up-stream	Opera-tions	Value Chain Down-stream	Com-muni-ties						
Responsible Sourcing	✓	✓	✓		• Customers • Suppliers • Investors	• ESG regulations are tightening globally and non-compliance may result in fines, trade restrictions, or litigation. • If the supply chain is associated with issues such as environmental violations, corruption, or human rights abuses, the company could face brand reputation damage and legal liabilities. • Over-reliance on high-risk suppliers (e.g., those from conflict regions or non-compliant with environmental standards) could lead to supply disruptions or production halts. • In the absence of a resilient supply chain, extreme weather events (such as floods or droughts) or pandemics may cause supply chain interruptions, increased procurement costs, or production shutdowns. • Using compliant raw materials, clean energy, or low-carbon logistics may increase procurement costs in the short term.	• Implementing responsible supply chain management practices helps meet compliance requirements and shapes a responsible corporate image. As market preferences shift, consumers are more willing to pay a premium for sustainable brands. • Building a sustainable supply chain reduces the risk of disruptions and enhances the stability of product and service delivery.	Short-term, Medium-term, and Long-term	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	Responsible Sourcing
Supply Chain Security	✓	✓	✓							Supply Chain Security
Human Rights Protection	✓	✓	✓		• Employees • Customers • Suppliers	• Violations of human rights or labor rights may lead to compliance risks and damage the company's brand image. • Inadequate protection of employee rights may result in higher employee turnover, affecting the stability of business operations.	• Strengthening human rights protection helps build a responsible corporate image. • Promoting a culture of care and safeguarding human rights and labor rights can enhance employee satisfaction and retention.	Short-term, Medium-term, and Long-term	5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 10 REDUCED INEQUALITIES	Suppliers and Customers Employees
Employee Development and Training		✓			• Employees	• Building a systematic talent development mechanism may lead to higher financial and human resource costs. • Challenges in talent acquisition, increased employee turnover, or slow skill upgrades may constrain the company's sustainable growth.	• Attracting a diverse and stable talent pool can support the company's steady development. • Comprehensive career development and training programs help enhance employees' professional skills, strengthen talent pipelines, and provide continuous momentum for the company's long-term growth.	Medium-term and Long-term	4 QUALITY EDUCATION / 8 DECENT WORK AND ECONOMIC GROWTH	Employee Development
Occupational Health and Safety	✓	✓	✓		• Employees • Customers • Suppliers	• Establishing a comprehensive occupational health and safety system may increase the company's financial costs. • Occupational health and safety incidents could trigger negative public opinion, lead to fines and other financial losses, and damage the company's reputation and image.	• A well-developed occupational health and safety system can enhance employees' sense of well-being and belonging, thereby boosting the company's productivity.	Short-term, Medium-term, and Long-term	3 GOOD HEALTH AND WELL-BEING / 8 DECENT WORK AND ECONOMIC GROWTH	Occupational Health and Safety
Due Diligence	✓	✓	✓	✓	• Employees • Customers • Suppliers • Investors • Banks • Media Institutions • Government and Regulatory Authorities • Non-governmental Organizations	• Failure to properly identify and manage sustainability-related negative impacts or risks may expose the company to legal, compliance, financial, reputational, and market risks. • Conducting due diligence, especially when engaging third-party professional services, may increase related corporate costs and expenses.	• Enhancing trust among stakeholders and the public, boosting the company's reputation and brand influence.	Short-term, Medium-term, and Long-term	8 DECENT WORK AND ECONOMIC GROWTH / 16 PEACE, JUSTICE AND STRONG INSTITUTIONS / 17 PARTNERSHIPS FOR THE GOALS	Stakeholder Engagement
Risk and Compliance Management	✓	✓	✓	✓	• Employees • Customers • Suppliers • Investors • Banks • Media Institutions • Government and Regulatory Authorities • Non-governmental Organizations	• Poor risk and compliance management may weaken the company's overall risk response capability, leading to financial, legal, compliance, and reputational risks. • Inadequate emergency management systems may impair the company's ability to respond to risks, causing damage to business operations and brand image.	• Strengthening risk and compliance management can improve the company's resilience and support sustainable operations. • A comprehensive emergency management plan can help the company respond quickly and effectively to crises, minimizing business losses and protecting brand reputation.	Short-term, Me-dium-term, and Long-term	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Risk and Compliance Management

Note1:Impact Duration Description:Short-term generally refers to within one year (inclusive) after the end of the reporting period; mid-term refers to one to five years (inclusive) after the end of the reporting period; long-term refers to more than five years after the end of the reporting period.

Stakeholder Engagement

We value the expectations and concerns of our stakeholders, maintain close communication and engagement through diverse channels, and continuously enhance our sustainability management by incorporating their suggestions and feedback.

Stakeholders	Matters of Concern	Communication Methods
Employees	• Equal Employment • Compliant Operations • Tax Compliance • Human Rights Protection	• Suggestion Box • Employee Training and Activities • Employee Satisfaction Survey • Employee Representative Conference and Labor Union Congress • Seminars and Daily Communication
Clients	• Equal Employment • Human Rights Protection • Consumer Protection • Risk Management	• Online Communications • On-site Visits • Exhibition Activities • Customer Satisfaction Survey and • Complaint Handling
Suppliers	• Tax Compliance • Environmental Compliance • Water Resource Conservation and • Wastewater Management • GHG Emissions	• Online Communications • On-site Visits • Exhibition Activities • Professional Platforms
Investors	• Compliant Operations • Anti-corruption • Tax Compliance • Complaint Mechanism and • Whistleblower Protection	• Information Disclosure of Listed Companies • Investor Online Group Reception Day • Investor Hotline and Email • Shenzhen Stock Exchange Interactive Platform • Shareholders' Meeting and Earnings • Conference Call & Webcast
Banks	• Compliant Operations • Risk Management • Anti-corruption • Tax Compliance	• Information Disclosure of Listed Companies • Online Communications • On-site Visits
Media Institutions	• Environmental Compliance • Responsible Marketing • Consumer Protection • GHG Emissions	• Information Disclosure of Listed Companies • Online Communications • Visitor Reception
Government and Regulatory Bodies	• Environmental Compliance • Community Investment • Compliant Operations	• Online Communications • On-site Visits • Government-Enterprise Meetings • Participation in Policy Recommendations
Non-governmental Organizations	• Human Rights Protection • Responsible Supply Chain • Consumer Protection • Community Investment	• Industry Association Exchange • Online Communications • Public Service

Sustainability-Related Governance

We adhere to the concept of sustainable development and continuously improve our governance mechanisms by establishing a sustainable development governance structure from the board of directors to the executive level. This strengthens the management of sustainable development issues and ensures stable and long-term operations.

Governance Structure and Mechanisms

We comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other relevant laws, regulations, and regulatory requirements to establish a corporate governance structure composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Management, forming the "Three Meetings and One Management" system. Based on the Articles of Association, we have developed a comprehensive governance framework that includes detailed rules such as the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Board of Supervisors, and the Rules of Procedure for the General Manager's Office Meeting. Clear delineation of responsibilities and effective checks and balances among the shareholders' meeting, the board of directors, the board of supervisors, and the management ensure standardized business operations. We also standardize the convening and holding of shareholders' meetings, and facilitate shareholder participation and voting through online voting channels, ensuring all shareholders fully exercise their rights to be informed, to participate, to vote, and to supervise on major corporate matters, thereby safeguarding their legitimate rights and interests.

Governance structure chart:
- Shareholder's Meeting
- Board of Supervisors
- Board of Directors
  - Audit and Risk Control Committee
  - Nomination Committee
  - Remuneration and Appraisal Committee
  - Budget Committee
  - Strategy and Sustainability Committee
- Management team
- Functional Management Departments
  - Party Committee Office
  - CEO Office
  - HR Department
  - Strategic Investment Management Department
  - Financial Budget Department
  - Finance Department
  - Internal Control and Audit Department
  - Risk Management and Compliance Department
  - Legal department
  - Supervision Office
  - Securities Department
  - Digital Management Department
  - Safety and Environmental Management Department
- Business Segments
  - Digital Intelligence Technology
  - Electronics Technology
  - Supply Chain
  - Automotive Dealership

In 2024, we completed the renaming and functional adjustment of the professional committees under the board of directors. The strategy committee was renamed the strategy and sustainability committee, with its responsibilities expanded to include research, analysis, and evaluation of our sustainability, as well as issues related to environmental, social, and governance matters, and providing corresponding recommendations. The audit committee was renamed the audit and risk control committee, with its responsibilities expanded to include overseeing the implementation of comprehensive risk management work by our management team, in addition to its original financial supervision duties. We have set up the strategy and sustainability committee, the audit and risk control committee, the nomination committee, the remuneration and appraisal committee, and the budget committee, all of which diligently perform their duties in accordance with relevant laws, regulations, and internal rules. These committees conduct research on relevant sustainability topics, jointly guide and supervise the management of sustainability issues, and provide support for the board of directors in making informed decisions.

In 2024, we formulated documents such as the "Certified Public Accountant Firm Selection System" and the "Comprehensive Risk Management System," and revised internal governance documents including the "Articles of Association," "Shareholders' Meeting Rules," "Implementation Rules for the Board of Directors' Special Committees," "General Manager's Office Meeting Rules," "Management of Shares Held by Directors, Supervisors, Senior Executives, and Changes in Those Shares," "Accountability System," "Independent Director Annual Report Work System," "Management of Raised Fund Utilization," "Investor Relations Management System," and "Derivative Investment Management System," continuously improving our corporate governance structure and internal control systems. We held a total of 16 board meetings, 7 supervisory board meetings, 5 shareholder meetings, 9 audit and risk control committee meetings, 6 strategy and sustainability committee meetings, 2 nomination committee meetings, 6 remuneration and appraisal committee meetings, and 3 budget committee meetings.

Appointment of Directors and Senior Management

We clarify the nomination and selection procedures for directors and senior management through governance documents such as the "Articles of Association" and "Nomination Committee Implementation Rules." The board of directors has established a Nomination Committee responsible for researching the selection criteria and procedures for directors and senior management, and providing recommendations. The Nomination Committee selects and reviews candidates based on diversified factors such as educational background, professional expertise, and work experience, assessing their qualifications for the role. After the board of directors reviews and approves the candidates nominated by the Nomination Committee, directors are elected by shareholders' meetings, while senior management is appointed by the board of directors after review and approval.

Diversity and Specialization

The board of directors consists of 9 members with diverse professional backgrounds, including business management, economics, law, and financial accounting. They bring extensive experience in operations management, risk control and compliance, and financial management. Among them, 3 are independent directors, making up 33.33% of the board. These independent directors are seasoned professionals in fields such as financial accounting and business management. As the conveners of the audit and risk control committee, nomination committee, and remuneration and appraisal committee, the independent directors diligently fulfill their duties and play an active role in the operation of each specialized committee.

The senior management team possesses extensive experience in operations management, risk control and compliance, and financial management, with expertise covering various fields such as business management, financial accounting, and law.

Name	Occupation	Age	Professional Background				Board Committees					Attendance (Board meetings and Board committee meetings)
			Industry Experience	Operations Management	Risk Management and Compliance	Financial Accounting	Strategy and Sustainability Committee	Audit and Risk Control Committee	Remuneration and Appraisal Committee	Budget Committee	Nomination Committee	
Wang Mingcheng (Male)	Chairman	55	●	●	●	●	●					100%
Zeng Yuan (Male)	Director	43		●	●	●	●			●		100%
Su Yi (Male)	Director	35		●	●			●				100%
Wu Xiaoqiang (Male)	Director	46	●	●	●						●	100%
Li Yong (Male)	Director	51			●	●				●		100%
Zhang Wenna (Female)	Director	45			●	●			●			100%
Liu Dajin (Male)	Independent Director	59					●	●	●	●		100%
Cheng Wenwen (Male)	Independent Director	60		●			●		●		●	100%
Yuan Xinwen (Male)	Independent Director	62					●	●			●	100%
Jiang Feng (Male)	Vice President	49	●	●								/
Lin Weiqing (Male)	Vice President and CFO	54			●	●						/
Wang Xiaoshun (Male)	Vice President and Board Secretary	43	●	●	●							/
Xie Haisu (Male)	Vice President	52	●	●								/

To continuously enhance our directors, supervisors, and senior management's performance capabilities, we organized five training sessions in 2024, including interpretations of the new Company Law and financial topics, hosted by the Listed Company Association of Xiamen. Additionally, our directors, supervisors, and senior management participated in five sessions of the Xiamen regional listed companies' training series.

Compensation of Directors and Senior Management

The compensation of our directors is implemented according to the standards approved by the shareholders' meeting and the compensation of senior management is proposed by the Remuneration and Appraisal Committee of the Board of Directors based on factors such as the positions, the responsibilities, market salary trends, etc., and is subject to annual performance assessment and performance-based rewards based on the company's performance for that year. The proposal is then reviewed and approved by the board of directors.

To establish a sound incentive and restraint mechanism aligned with our development strategy, fully motivate our directors and senior management, and effectively align their interests with those of our shareholders to drive long-term value growth, we have formulated and implemented the "2020 Restricted Stock Incentive Plan" and the "2022 Restricted Stock Incentive Plan."

As of December 31, 2024, our directors and senior management collectively held 1,186,000 shares of the company, accounting for 0.18% of the total share capital.

Detailed Shareholding of Directors and Senior Management

No.	Name	Position	Number of Shares Held
1	Wang Mingcheng	Chairman	405,000
2	Zeng Yuan	Director	0
3	Su Yi	Director	0
4	Wu Xiaoqiang	Director	135,000
5	Li Yong	Director	0
6	Zhang Wenna	Director	0
7	Liu Dajin	Independent Director	0
8	Cheng Wenwen	Independent Director	0
9	Yuan Xinwen	Independent Director	0
10	Jiang Feng	Vice President	320,000
11	Lin Weiqing	Vice President and CFO	135,000
12	Wang Xiaoshun	Vice President and Board Secretary	191,000
13	Xie Haisu	Vice President	0

Related-Party Transaction

To regulate related-party transactions and ensure that such transactions do not harm the legitimate rights and interests of the company and non-affiliated shareholders, we have developed the "Related-Party Transaction Management System" in accordance with relevant laws, regulations, and our Articles of Association. During the review and decision-making process of related-party

transactions, we effectively implement a conflict-of-interest voting mechanism. For related-party transactions that meet certain criteria, an independent directors' meeting is convened to review the matters, with independent opinions provided on the proposals. This ensures the guidance and supervision of independent directors, protecting the interests of minority shareholders.

Conflicts of Interest

To prevent conflicts of interest and ensure that directors' duties are not affected by such conflicts, we have clearly outlined the fiduciary duties of directors in our Articles of Association. Specifically, without the approval of the shareholders' meeting, directors are prohibited from using their position to seize business opportunities that rightfully belong to the company or to engage in business activities that are similar to those of the company, either for themselves or for others.

Investor Relations Management

We attach great importance to investor relations management. To ensure smooth communication between the company and investors, we comprehensively revised the "Investor Relations Management System" in 2024, taking into account the actual situation. We have established and improved the investor relations management mechanism, clarified the basic principles of investor relations management, key communication content, working methods, communication channels, organizational structure and functions, as well as information disclosure channels, in order to guide and regulate investor relations management and safeguard the basic rights of investors.

Information Disclosure Management

We adhere to relevant regulatory rules and the provisions of the "Information Disclosure Affairs Management System" to emphasize information disclosure management. We fulfill our information disclosure obligations in terms of scope, deadlines, and procedures, providing all investors with truthful, accurate, timely, and comprehensive company information to ensure that all investors have equal and timely access to relevant content, safeguarding their right to information and other related rights.

Investor Communication

We actively engage in investor communication through various channels, such as investor hotlines, email, investor surveys and on-site visits, shareholder meetings and performance briefings, roadshows, and the "Interactive Easy" platform on the stock exchange, providing investors with diverse ways to enhance their understanding of the company. In 2024, we focused on media monitoring and investor call handling, promptly responding to investor concerns via the "Interactive Easy" platform. We answered over 100 investor hotline calls and addressed 128 investor inquiries on the platform. We also participated in the Xiamen-listed companies' 2023 Annual Investor Online Collective Reception Day, engaging in "one-to-many" communication with investors on topics such as 2023 operating performance, corporate governance, and development strategy.

Answered over
100 investor hotline calls

Addressed
128 investor inquiries on the platform

The Party Building

We have consistently upheld and strengthened the leadership of the Party, with political construction as the core focus, and have comprehensively advanced all aspects of Party development. We fully leverage the leadership role of the Party Committee, the battleground role of grassroots Party organizations, and the exemplary role of Party members. We continuously improve the functions of Party organizations and enhance the quality of Party building work, providing important support and guarantee for the company's strategic transformation and high-quality development through high-quality Party construction.

We adhere to the principle of integrating the strengthening of the Party's leadership with the improvement of corporate governance, ensuring that the Party committee takes the lead in formulating the principles and directions on key matters such as the company's strategy, business planning, corporate restructuring, organizational structure, and important regulatory system development, as well as the pre-research and discussion mechanism for "Major decision-making, Major personnel appointments and dismissals, Major project investment decisions, and Large Fund Utilization" issues. This approach continuously improves the corporate governance system and effectively enhances centralized leadership and scientific decision-making. In 2024, we revised the "Party Committee Meeting Rules," dynamically adjusted the "Pre-research and Discussion List of Major Operational Management Issues," optimized the decision-making process, and improved decision-making efficiency and quality to mitigate decision-making risks. A total of 35 Party committee meetings were held, during which 181 "Major decision-making, Major personnel appointments and dismissals,

Held party committee meetings

35 in total

"Major decision-making, Major personnel appointments and dismissals, Major project investment decisions, and Large Fund Utilization" issues studied

181 in total

Major operational management issues discussed in advance

135 in total

Party Discipline Study and Education

Party Affairs and Discipline Inspection Supervision Cadre Training

Major project investment decisions, and Large Fund Utilization" issues were studied, and 135 major operational management issues were discussed in advance.

We continuously optimize the structure of our Party organization in line with the company's business development, strengthening the grassroots Party organization and building strong grassroots fortresses. In 2024, we followed organizational restructuring and completed the election of 8 Party branches and the supplementary election of 3 Party organizations. We organized Party and disciplinary inspection personnel training and comprehensively strengthened the grassroots Party cadres through methods such as "theoretical study + special discussions + joint learning." We also continued to promote the development of the Party building brand by launching the "New Dike" Striving Pigeon Party Building brand image and pushing forward the "one branch, one brand" initiative. We newly created the "Smart

Planet" Party building brand, forming a "1+9" brand matrix with the "Striver" brand as the core.

The Party Committee continues to strengthen talent team building by improving the selection and appointment mechanism, as well as implementing measures such as talent training and exchanges to cultivate a high-quality and high-level talent pool. In 2024, we revised the "Management Measures for the Selection and Appointment of Cadres" and the "Management Measures for the Selection and Cultivation of Outstanding Young Cadres." Through top-down recommendations, organizational recommendations, and market recruitment, we selected and appointed middle-level and young cadres. We also organized exchanges and discussions for young cadres, as well as talent rotation and job exchange programs, ensuring talent reserves for the company's high-quality development.
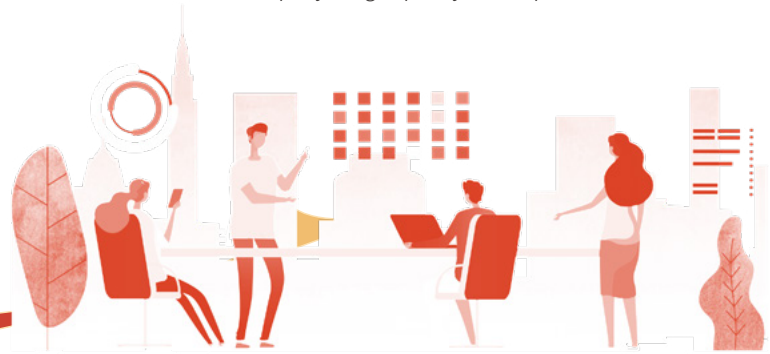
01
ENVIRONMENT

⊙ 2024 Management Targets for Environmental Matters

- Continue to increase investment in the R&D of green products

- Promote green production methods to reduce costs and improve efficiency

- Develop and promote net zero demonstration projects

- Promote the reuse of reclaimed water and strengthen the recycling of water resources

- Avoid conducting business activities in areas with important ecological functions or sensitive and fragile environments

- Ensure environmental compliance and achieve pollutant discharge standards

- Continuously improve the recycling rate of general waste

Climate Response

Facing the growing severity of global climate change, which poses serious threats to human well-being and the Earth's ecosystems, we remain committed to a green and low-carbon development philosophy, and continuously introduce and develop innovative digital technologies to drive the transformation of our industrial chain toward greener and lower-carbon practices. We actively expand into green industries such as green mobility services and scrap steel recycling to reduce resource consumption. We are steadily advancing the transition to sustainable production and lifestyles, while continuously strengthening our resilience to climate change challenges.

Climate Strategy

We actively respond to natioanl carbon peaking and carbon neutrality goals and the global temperature control targets set under the Paris Agreement. Based on our own operational realities, we have established carbon peaking and net zero targets: to peak carbon emissions by 2030 and to reach the net zero emissions by 2060. To achieve these strategic goals, within the framework of ITG Holding's Net Zero Strategy,we have referred to the "Corporate Net Zero Pathway - Delivering the Paris Agreement and the Sustainable Development Goals" released by the United Nations Global Compact (UNGC), and formulated five key carbon reduction initiatives to drive progress toward our net zero vision.

Designing Sustainable Products

We incorporate green design principles into all stages of the product lifecycle, developing and designing more sustainable products to minimize greenhouse gas emissions during the product usage phase.

Facilitating Supply Chain Decarbonization

We innovatively create open, shared, and sustainable digital platforms to provide digital solutions for the industry, helping upstream and downstream enterprises in the supply chain improve quality and efficiency.

Utilizing Renewable Energy

We increase the use of renewable energy sources such as solar power in our operations, reduce the consumption of fossil fuels, and drive the sustainable transformation of the energy structure.

Developing Sustainable Industries

We actively engage in green industries such as green transportation services and scrap steel recycling, promote the circular economy, and build a sustainable industrial system with characteristics of low-consumption, low-emission, and high-efficiency.

Executing Sustainable Actions

We align our operations with sustainable development principles and implement initiatives such as eco-friendly office practices and ecological conservation, while simultaneously fostering economic growth and collaborating to safeguard the planet.

Climate-Related Risks, Opportunities, and Financial Impacts

We adhere to a scientific and systematic approach to identifying and assessing climate-related risks and opportunities. Drawing on scenario models developed by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), we identify and evaluate the physical and transition risks and opportunities that our business may face in the short, medium, and long term as a result of climate change. Based on these assessments, we formulate corresponding risk response strategies to better manage climate-related risks and seize transition opportunities under the trend of sustainable development.

Physical Risks

We selected the very low GHG emissions scenario (SSP1-1.9) and the high-growth, high-carbon emission scenario (SSP5-8.5) from the IPCC's Shared Socioeconomic Pathways (SSP) to identify and assess climate-related risks to our business development in the short, medium, and long term.

According to the IPCC's Sixth Assessment Report: Compared to 1850-1900, global surface temperature averaged over 2081-2100 is very likely to be higher by 1.0°C to 1.8°C under the very

low GHG emissions scenario considered (SSP1-1.9), the likely global mean sea level rise is 0.28-0.55 meters, and the average annual global land precipitation is projected to increase by 0-5%. Compared to 1995-2014, the global surface temperature is very likely to be higher by 3.3°C to 5.7°C by 2100 under the very high GHG emissions scenario (SSP5-8.5), the likely global mean sea level rise is 0.63-1.01 meters, and the average annual global land precipitation is projected to increase by 1-13%.

Physical Risk Assessment

Climate-related Risks	Current Status	2030 年		2050 年	
		SSP1-1.9	SSP5-8.5	SSP1-1.9	SSP5-8.5
Floods and Typhoons Damage to urban infrastructure and impacts on human well-being and health, particularly in coastal cities and residential areas.					
Sea Level Rise Loss of human and natural systems in low-lying coastal areas, reduction of coastal fishery resources, decreased precipitation, and rising temperatures.					
Extreme Heat Increased stress and mortality among people due to higher temperatures and extreme heat events, higher rates of heat-related mortality and morbidity among humans and wildlife, and heightened risks to food and water security.					

Extreme Low Impact   Low Impact   Medium Impact   High Impact   Extreme High Impact

Climate-related Risks	Current Status	2030 年		2050 年	
		SSP1-1.9	SSP5-8.5	SSP1-1.9	SSP5-8.5
Droughts Shortages of freshwater resources and reduced surface water supplies for agricultural irrigation and other human uses.					

Extreme Low Impact   Low Impact   Medium Impact   High Impact   Extreme High Impact

Physical Risk Management

Physical Risks	Impact Period	Response Measures
Floods and Typhoons Damage to urban infrastructure and impacts on human well-being and health, particularly in coastal cities and residential areas.	Short-term, Medium-term, and Long-term	• Monitor and promptly issue typhoon warning information, reasonably adjust production schedules, stock necessary supplies, and ensure the stable operation of production lines. • Strengthen and protect key buildings and inventories, and relocate vulnerable inventory items to safe locations in a timely manner to prevent damage from strong typhoons and heavy rainfall. • Implement a graded management system for floods and typhoons, classifying the severity and scope of damage into four levels (Level I, II, III, and IV), and organize emergency support, rescue, and recovery accordingly. • Establish and continuously improve emergency response plans for typhoon and flood prevention, and regularly organize emergency drills for employees to enhance emergency management capabilities.
Sea Level Rise Loss of human and natural systems in low-lying coastal areas, reduction of coastal fishery resources, decreased precipitation, and rising temperatures.	Medium-term and Long-term	• Regularly monitor meteorological and oceanic changes, and relocate or renovate assets that may be affected by sea level rise for protection. • Avoid new investments or construction in low-lying areas or regions vulnerable to sea level rise.
Extreme Heat Increased stress and mortality among people due to higher temperatures and extreme heat events, higher rates of heat-related mortality and morbidity among humans and wildlife, and heightened risks to food and water security.	Short-term, Medium-term, and Long-term	• Reasonably arrange employees' working hours to avoid physical labor or outdoor operations during periods of extreme heat, thereby reducing the risk of heatstroke. • Install air conditioning, fans, and other cooling equipment in workplaces to provide employees with a comfortable working environment.
Droughts Shortages of freshwater resources and reduced surface water supplies for agricultural irrigation and other human uses.	Short-term, Medium-term, and Long-term	• Improve systems and measures for water resource conservation and enhance the efficiency of water recycling and reuse. • Regularly conduct water conservation training for employees, promote the use of water-saving technologies and equipment, and reduce water waste.

Transition Risks

The IEA scenarios include the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), as well as the Sustainable Development Scenario (SDS) and Net Zero Emissions by 2050 Scenario (NZE). We combine the NZE and the STEPS within the IEA scenario model to assess the transition risks and opportunities for our future development posed by climate policies and measures. Corresponding measures are formulated to achieve sustainable development under climate-related transition risks and opportunities.

According to the IEA's "World Energy Outlook" (WEO): Under Net Zero Emissions by 2050 (NZE) Scenario, the global energy-related carbon emissions reach net zero by 2050, limiting the rise in global temperatures to 1.5°C. Under the Stated Policies Scenario (STEPS), which considers only specific policies already enacted or announced by governments, annual carbon emissions from energy and industrial processes will increase from 34 gigatonnes in 2020 to 36 gigatonnes in 2030, remaining at roughly the same level until 2050. If emissions continue along this trajectory and non-energy-related greenhouse gas emissions follow a similar trend, the temperature will rise by approximately 2.7°C by 2100 (with a 50% probability). By 2050, the share of renewable energy in global electricity generation will be close to 55%.

Transition Risk Management

Transition Risks	Impact Period	Response Measures
Macroeconomic trends and policy adjustments in the industry	Short-term, Medium-term, and Long-term	Closely monitoring domestic and international policy adjustments and industry developments, strengthening analysis of foreign exchange and commodity market trends, and prudently using financial derivatives to hedge against exchange rate and price risks. Continuously enhancing the risk management system and actively preventing and mitigating potential risks. Accelerating business model transformation to align with policy directions and industry trends, while enhancing quality and efficiency to ensure steady business growth.
Regulatory pressure from GHG emission reduction policies	Short-term, Medium-term, and Long-term	Implementing five carbon reduction initiatives by designing sustainable products, facilitating supply chain decarbonization, utilizing renewable energy, developing sustainable industries, and executing sustainable actions to reduce greenhouse gas emissions and drive the industry's shift toward low-carbon growth.
Requirements for clean technology innovation and energy transition	Short-term, Medium-term, and Long-term	Keeping pace with market trends, accurately responding to policy directions, strengthening investment in independent R&D, and continuously innovating products while meeting customer and market needs. Enhancing R&D capabilities and product technology levels, and meeting the requirements for clean technology innovation and energy transition.
Growing market demand for sustainable products and services	Short-term, Medium-term, and Long-term	Closely aligning with industry and market demand, steadily expanding production capacity, and developing niche application markets through both organic growth and external expansion. Strengthening analysis of the industry value chain and business models, optimizing brand deployment, and driving cost reduction, efficiency improvement, business growth, and enhancement of user value.

Climate-related Metrics and Targets

We have set carbon peaking and net zero targets:

To peak carbon emissions by **2030**

Reach the net zero emissions by **2060**
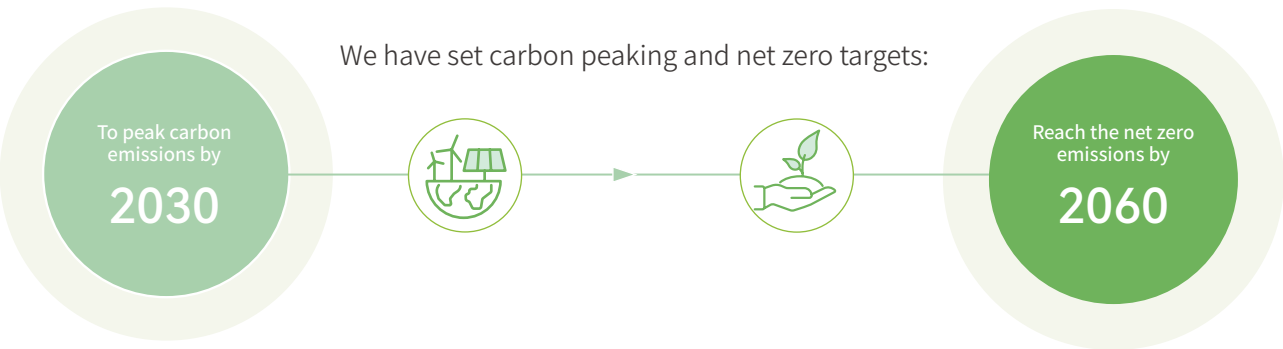
GHG Emissions Management

The Organizational Boundary for GHG Inventory

In accordance with the requirements of ISO14064-1:2018, we have conducted the GHG inventory for 2024 using the operational control approach for the entities over which the company has operational control.

Xiamen Xindeco Ltd.

Organizational Boundary

- Digital Intelligence Technology Segment
- Automobile Dealership Segment
- Supply Chain Segment
- Electronics Technology Segment
- Other Investment Companies

Operational Boundary

- Owned and Leased Buildings / Official Vehicles
- Owned and Leased Buildings / Official Vehicles
- Owned and Leased Buildings / Official Vehicles / Warehouse Operations Equipment
- Owned and Leased Buildings / Official Vehicles
- Owned and Leased Buildings / Official Vehicles

The Operational Boundary for GHG Inventory

Our greenhouse gas inventory scope for 2024 includes Scope 1 direct emissions and Scope 2 indirect emissions. Scope 1 covers emissions from the combustion of natural gas boilers, vehicles, and other combustion facilities, while Scope 2 includes greenhouse gas emissions from purchased electricity. The specific details of our greenhouse gas inventory scope for 2024 are as follows:

GHG Category	Definition	Primary GHG Emission Sources
Scope 1	Direct Greenhouse Gas Emissions refer to the greenhouse gas emissions produced by the organization itself, including the emissions generated from burning fossil fuels and industrial processes. They are divided into stationary combustion emissions, mobile combustion emissions, process emissions, and fugitive emissions.	• Natural gas boiler • Gasoline business vehicles • Diesel business vehicles
Scope 2	Indirect Greenhouse Gas Emissions refer to the greenhouse gas emissions generated from the energy consumed by the organization, such as electricity and thermal energy. This includes purchased electricity, purchased steam, and others.	• Electricity for production • Electricity for office use

GHG Categories

Seven types of greenhouse gases incuding carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

Emission Factor

For different emission sources under Scope 1 and Scope 2, we select appropriate emission factors for GHG emissions calculation based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), and the 2022 electricity emission factor released by the Ministry of Ecology and Environment.

GHG Emissions

In 2024, our GHG emissions (including GHG Scope 1 and Scope 2) amounted to 25,821.30 tCO_2e, with an emission intensity of 58.97 tCO_2e, per hundred million RMB of operating revenue.

2024 GHG Emissions

Category	2022 Emissions	2023 Emissions	2024 Emissions
Scope 1: Direct Emissions (tCO_2e)	1,594.00	1,560.13	1,445.97
Scope 2: Indirect Emissions (tCO_2e)	24,981.80	27,170.77	24,375.33
Total Emissions (tCO_2e)	26,575.80	28,730.90	25,821.30
Emission Intensity (tCO_2e/ hundred-million RMB of operating revenue)	28.27	40.16	58.97

GHG Emissions

Unit: tCO_2e Unit: tCO_2e/hundred-million RMB of operating revenue

	2022	2023	2024
Scope 2 (Indirect)	24,981.80	27,170.77	24,375.33
Emission Intensity	28.27	40.16	58.97
Scope 1 (Direct)	1,594.00	1560.13	1,445.97

■ Scope 1: Direct Emissions (tCO_2e)

■ Scope 2: Indirect Emissions (tCO_2e)

—•— Emission Intensity (tCO_2e/ hundred-million RMB of operating revenue)

Xindeco ‹ 2024 Sustainability Report

Climate Response • Energy Utilization • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Waste Disposal • Circular Economy • **Environment**

GHG Emission Reduction Actions

In alignment with the principles of green and low-carbon development, we are committed to implementing comprehensive energy-saving and emission-reduction initiatives including designing sustainable products, facilitating supply chain decarbonization, utilizing renewable energy, and developing sustainable industries to improve resource and energy efficiency. Through these efforts, we strive to enhance resource and energy efficiency, achieve cost reduction and operational excellence, minimize greenhouse gas emissions, and fulfill our commitment to national carbon peaking and carbon neutrality goals as well as global climate objectives.

Designing Sustainable Products

In the process of product research, development, and manufacturing, we are committed to integrating green design principles throughout all stages of the product lifecycle. We focus on designing and developing more sustainable products, reducing greenhouse gas emissions during the usage phase, and promoting carbon neutrality across the entire value chain.

Paper-based Antenna RFID Tag

Our paper-based antenna RFID tag products have undergone carbon footprint assessments by Carbon Footprint Ltd and have been honored with the "Most Influential Innovative Product Award" in the China Internet of Things (RFID) industry. These products, independently developed by our company, eliminate non-degradable PET materials in favor of FSC-certified paper substrates and employ production processes that meet green environmental standards. This approach achieves the environmental goals of being "degradable, recyclable, and reducing consumables," while also enhancing the conductivity and stability of the tags, lowering energy consumption, and supporting green manufacturing. Approximately 60% of the greenhouse gas emissions from our three types of tag products originate from the raw material acquisition stage, making it a critical area for carbon reduction. Given that nylon material RFID washable labels emit about 38% more greenhouse gases than satin material RFID washable labels, we have developed a plan to gradually replace nylon washable labels and are promoting the research and development of green washable label raw materials, striving to create high-quality, green, and low-carbon products.

In 2024, Xiamen Xindeco IoT invested in and commenced the construction of the Xindeco Intelligent Technology Park

Xindeco Intelligent Technology Park

project to create a modern industrial park. The project covers approximately 29,100 square meters, with a total construction area of 77,800 square meters, incorporating an RFID research and development laboratory, green intelligent workshops, office buildings, and supporting facilities. Upon completion, the Xindeco Smart Technology Park will further enhance our market competitiveness.

The project covers approximately
29,100 square meters

With a total construction area of
77,800 square meters

Fixed LED fixtures

Our fixed LED lighting products have received the China Energy Conservation Certification from the China Quality Certification Center (CQC). These products offer advantages such as energy efficiency, extended lifespan, and environmental friendliness. Compared to traditional lighting technologies, LEDs provide higher luminous efficacy, enhanced durability, and stability, ensuring long-term reliable illumination for users. Additionally, LED products are free from hazardous heavy metals like mercury, do not emit dangerous substances during use, and have minimal environmental impact upon disposal.

Highlight 📖 **Intelligent Retrofit of Xiamen Municipal Road Lighting**

The energy-saving and intelligent LED street lamp applied in the first phase of Xiamen's municipal road lighting, integrates advanced technologies such as self-cleaning, high heat dissipation, and intelligent light distribution. These lights are equipped with remote control and self-diagnostic functions, allowing brightness adjustments based on community needs and real-time fault reporting, thereby enhancing maintenance efficiency. The energy-saving rate of these products exceeds 50%, leading to an annual reduction of approximately 25.65 million kilowatt-hours of electricity consumption in municipal road lighting. This reduction is equivalent to saving about 3,152 tons of coal equivalent and decreasing greenhouse gas emissions by 14,408 tons, supporting Xiamen's commitment to green and low-carbon urban development.
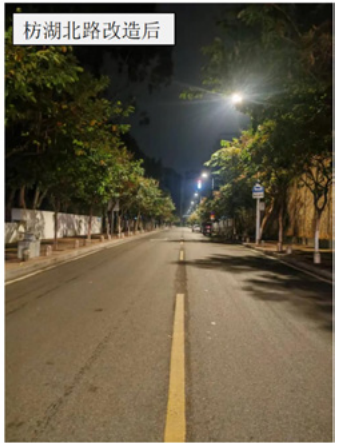
Intelligent Retrofit of Xiamen Municipal Road Lighting

An annual reduction of approximately
25.65 million kilowatt-hours of electricity consumption in municipal road lighting

This reduction is equivalent to saving about
3,152 tons of coal equivalent

Decreasing greenhouse gas emissions by
14,408 tons

Facilitating Supply Chain Decarbonization

We are committed to improving capabilities of building open, shared, and sustainable digital platforms, continuously promoting enterprise digitalization in the integrated supply chain, exploring the application of new technologies such as the Internet of Things, Internet, and robotic automation, and assisting in the green transformation and upgrading of the supply chain.

Xindeco ‹ 2024 Sustainability Report

Climate Response • Energy Utilization • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Waste Disposal • Circular Economy • **Environment**

Xindeco E-sign System

Xindeco E-sign System continues to enrich internal single-signature scene applications. Building on the electronic signature of trade delivery notes, all inbound and outbound documents in the self-managed steel warehouse have been electronically signed, effectively standardizing the signature process. By promoting dual-signature scenarios upstream and downstream, the system reduces offline paper circulation for customers, achieves paperless office operations, saves resource consumption, and promotes low-carbon transformation and development of the business. Currently, the average monthly signature for the supply chain electronic signature system has exceeded 5,200 copies.

Intelligent Warehousing System

The Intelligent Warehousing System aims to establish a unified standard system for intelligent warehousing, strengthen upstream and downstream collaboration, enhance industrial integration and operational control, and, relying on data interconnection through the network business order platform, optimize warehouse resources and provide personalized services. In 2024, we took Xindeco Hongda Warehouse as a pilot, comprehensively upgraded the intelligent warehousing system, added automatic weighing and early warning functions, compared data in real time, and handled exceptions promptly, effectively solving the contradictions between business efficiency and risk control, personnel requirements, and business transformation. In addition, the system records manual intervention details, which can effectively reduce the risk of false records and forged documents. The application of the system has

Intelligent Warehousing System

saved labor costs and also achieved precise optimization of supply chain management through quantitative analysis, promoting cost reduction and efficiency improvement.

Intelligent Warehousing System Implemented at Xindeco Hongda Warehouse

Utilizing Renewable Energy

We promote the use of renewable energy sources such as solar and wind power in our operations, gradually reducing the use of fossil fuels and other non-renewable energy sources, and driving the transformation of our energy structure.

Green Electricity

Xindeco Tongbao Automobile actively practices the "360-degree Circular Carbon Reduction" concept. The company implements four key measures of creating energy usage reports, signing a 24/7 Power Purchase Agreement (PPA), procuring green electricity and carbon offsets, and using distributed renewable energy to achieve renewable energy transition.

BMW GREEN STAR Dealer

Developing Sustainable Industries

We seize the transformation opportunities brought by sustainability risks, actively invest in sustainable industries such as green mobility services, and build a low-consumption, low-emission, and high-efficiency sustainable industrial system to achieve high-quality development.

Sustainable Transport with New Energy Vehicles

We continue to respond to national environmental protection requirements and actively advocate for green transportation, striving to build a green mobility ecosystem. In 2024, we opened multiple new energy vehicle (NEV) brand dealerships, experience centers, and body and paint centers. At the same time, several of our 4S stores introduced and began selling pure electric and plug-in hybrid electirc vehicles.
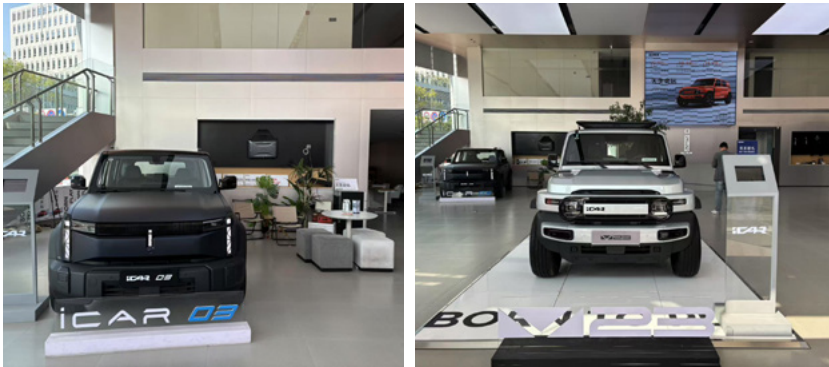
New Energy Vehicle Dealerships

In addition, we have cumulatively built three public charging stations for new energy vehicles, with 44 charging terminals and a total installed power of over 2,600 kWh. In 2024, we supplied 2.407 million kWh of electricity to new energy vehicle owners.

Xindeco ‹ **2024** Sustainability Report

Climate Response • Energy Utilization • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Waste Disposal • Circular Economy • **Environment**

Technology Innovation for Green Production

Xiamen Xindeco IoT drives its green production concept through technological innovation, significantly reducing energy consumption and greenhouse gas emissions by implementing smart upgrades, process optimization, and resource-intensive applications, effectively advancing the achievement of sustainable development goals.

In 2024, several green and energy-saving projects were carried out

Innovating EAS Tag Prototyping Process

Two production steps were streamlined into a single molding process, reducing equipment start-stop frequency by over 30%. Energy consumption and idle losses were lowered, product yield improved by 15%, and approximately 500 kilograms of waste is expected to be reduced annually, equivalent to a 0.28-ton reduction in greenhouse gas emissions.

Applying Fiducial Mark Printing Technology on Backing Paper

Fiducial mark printing on backing paper replaced traditional composite processes, reducing equipment start-stop frequency by 60% and minimizing material loss caused by size deviations. Taking the vortex004 as an example, the scrap rate dropped from 0.54% to 0.05%, saving 10,000 meters of backing paper, equivalent to 0.4 tons of pulp.

The TID chip inspection process was shifted forward to the binding stage, enabling early detection and interception of defective chips, reducing rework and scrap rates, and lowering energy consumption during chip replacement by approximately 1%.

Automated web guiding replaced manual operations, improving slitting precision to ±0.1mm, reducing paper waste by 12%, and saving more than 0.3 tons of paper annually.

Optimizing TID Screening Process for State Grid Products

Upgrading the Auto Web Guiding System for Miosa Slitting

Executing Sustainable Actions

We align our operations with sustainable development principles and implement initiatives such as eco-friendly office practices and ecological conservation, while simultaneously fostering economic growth and collaborating to safeguard the planet.

Our subsidiary, Xindeco Tongbao Automobile, continues to advance its green and sustainable transformation. Through a series of initiatives in daily operations, it actively explores greenhouse gas reduction potential and is building a "zero-carbon 4S dealership," achieving PAS 2060 - Carbon Neutrality verification.

· High-efficiency lighting and sanitary fixtures are used, with intelligent zoning controls to enhance energy savings.

· The showroom's glass curtain walls are made of environmentally friendly, energy-efficient materials to maintain indoor temperature stability, improve energy efficiency, and reduce greenhouse gas e missions.

· Drinking water for customer reception is provided through purification systems and served in glass cups, reducing the use of bottled water and PET materials.

· Special EHS inspections are conducted to promote green after-sales services.

PAS 2060 - Carbon Neutrality Verification for Xindeco Tongbao Automobile's 4S Dealership

Energy Utilization

In 2024, our comprehensive energy consumption was 6,340.63 tons of coal equivalent. In terms of the energy consumption structure, the largest share came from purchased electricity, accounting for approximately 89.64%. Regarding the greenhouse gas emissions from energy consumption, the emissions from purchased electricity accounted for the highest proportion, making up 94.40% of the total greenhouse gas emissions from energy consumption for the year.

We promote the use of renewable energy, such as solar power, in our production operations and are gradually driving the energy transition. In 2024, we used a total of 822,388.80 kWh of photovoltaic electricity, reducing greenhouse gas emissions by 442 tons.

Used a total of

822,388.80 kWh

of photovoltaic electricity

Reducing greenhouse gas emissions by

442 tons

CO_2
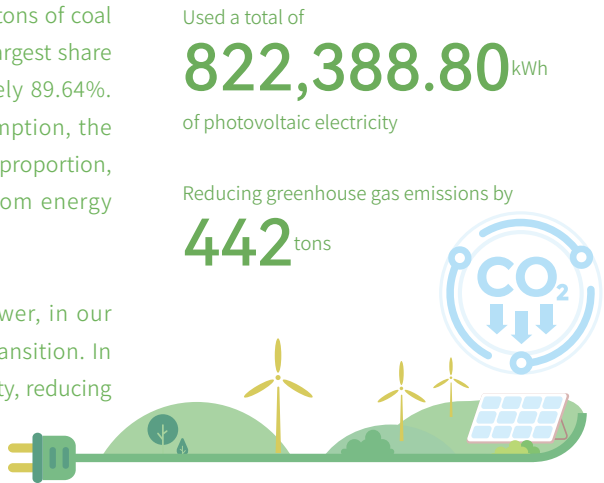
2024 Energy Consumption Structure

Energy Type	2022	2023	2024
Electricity(kWh)	43,804,658.56	48,491,667.63	46,248,893.78
Gasoline（L）	313,390.51	426,323.85	372,817.75
Diesel（L）	228,202.03	220,373.50	204,445.83
Natural Gas（m³）	/	170.12	/
Liquefied Petroleum Gas（t）	1.44	/	/
Total	/	/	/

Energy Type	2022 Total Energy Consumption (tons of coal equivalent)	2023 Total Energy Consumption (tons of coal equivalent)	2024 Total Energy Consumption (tons of coal equivalent)	2024 Energy Consumption Share (%)
Electricity(kWh)	5,383.59	5,959.63	5,683.99	89.64
Gasoline（L）	336.62	457.92	400.45	6.32
Diesel（L）	285.96	276.15	256.19	4.04
Natural Gas（m³）	/	0.23	/	/
Liquefied Petroleum Gas（t）	2.47	/	/	/
Total	6,008.64	6,693.93	6,340.63	100

Energy Structure

6.32%   4.04%

89.64%

- Electricity
- Gasoline
- Diesel
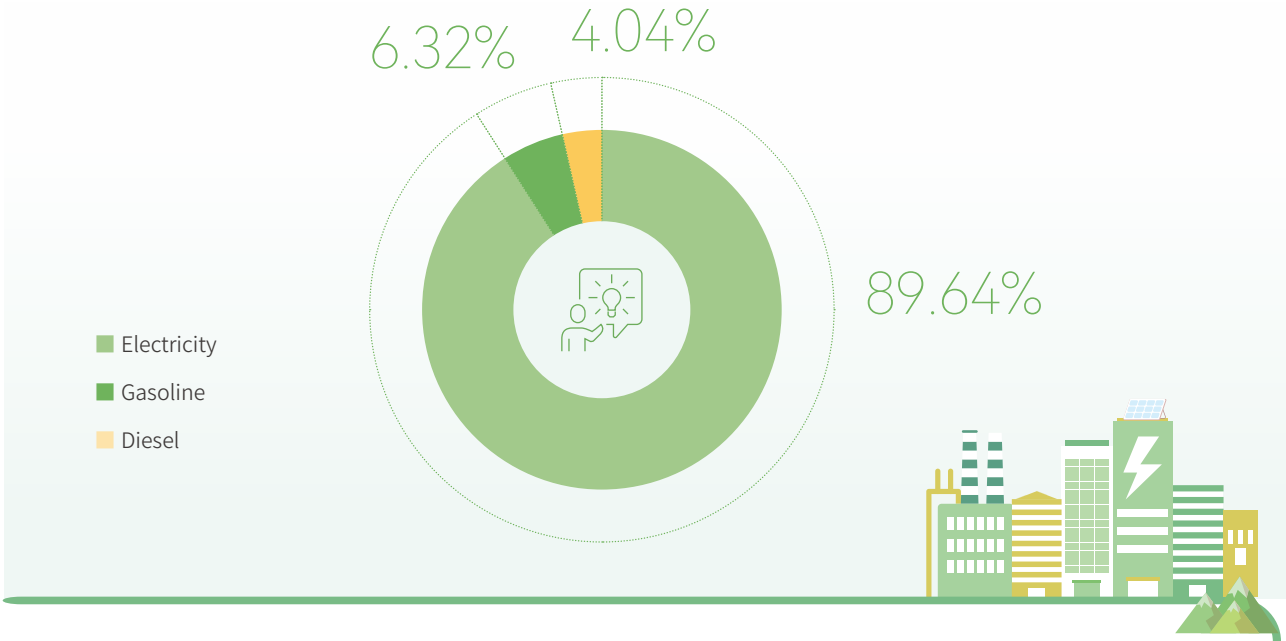
Energy Consumption(Unit:tons of coal equivalent)

- Electricity
- Gasoline
- Diesel
- Natural Gas
- Liquefied Petroleum Gas

Xindeco ‹ 2024 Sustainability Report

Climate Response • Energy Utilization • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Waste Disposal • Circular Economy • **Environment**
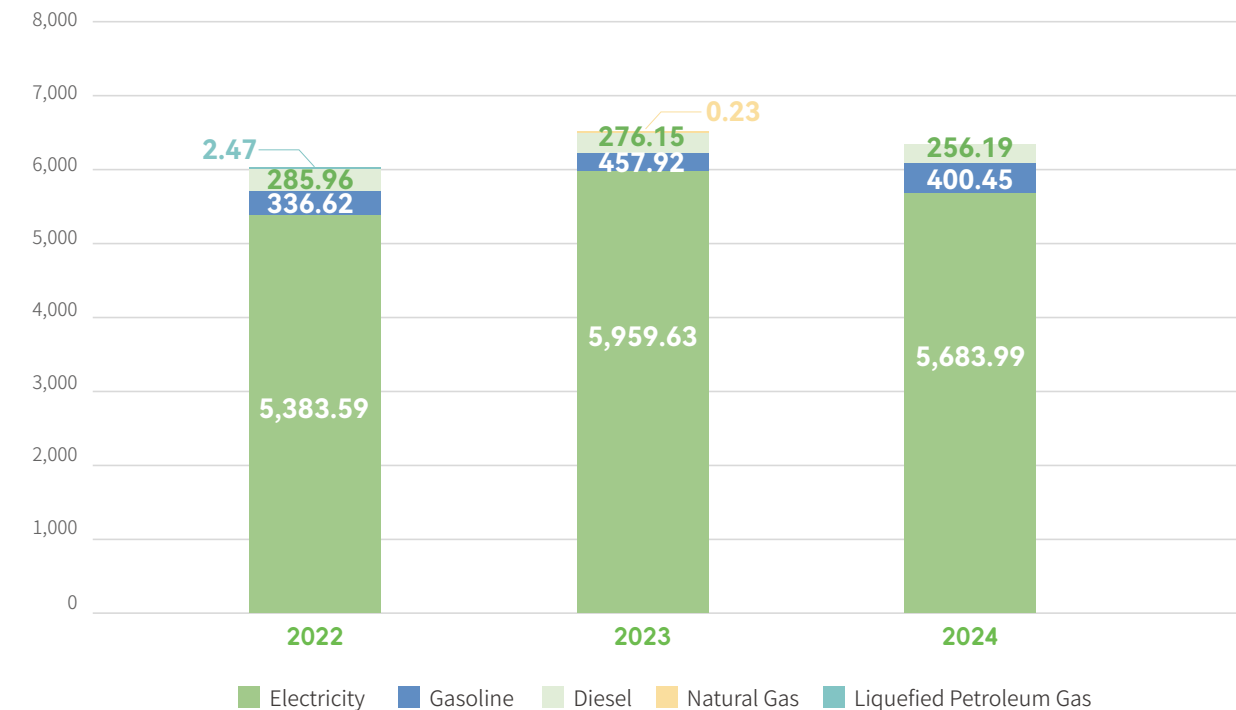
Ecosystem and Biodiversity Protection

We always regard the protection of ecosystems and biodiversity as a crucial aspect of our sustainable development. We strictly abide by relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Law of the People's Republic of China on the Protection of Wildlife," and the "Regulations of the People's Republic of China on Wild Plants Protection." In our business planning, project design, and implementation, we adhere to scientific assessments of the natural environment and strive to minimize the impact on habitats of plants and animals during construction and operations through measures such as zonal protection, ecological isolation, and preservation of native vegetation. For areas that may be affected, we actively carry out ecological compensation, vegetation restoration, and soil and water conservation efforts, gradually restoring or enhancing local biodiversity, aiming to achieve coordinated progress between business development and ecological balance.

We vigorously organize and participate in various environmental-themed public welfare activities. By conducting environmental knowledge campaigns, tree planting, and energy conservation and emission reduction initiatives, we enhance employees' environmental awareness and encourage more members of the public to engage in environmental protection efforts, striving to promote and practice the concept of green living.

Tree-Planting Activity
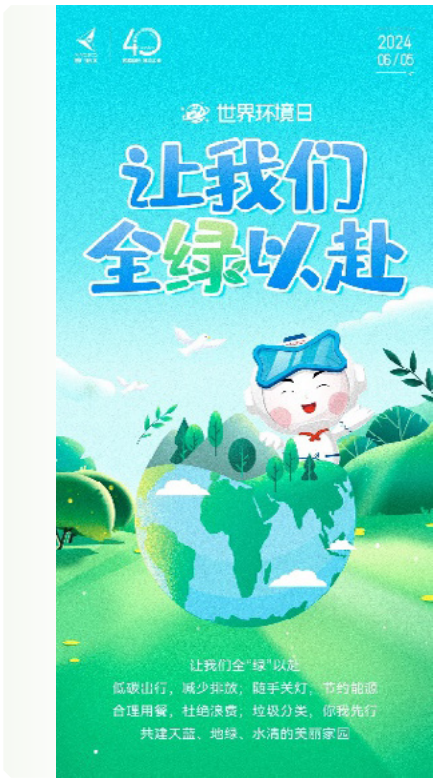
"All-in for Green" Environmental Initiative

Environmental Compliance Management

We abide by the "Environmental Protection Law of the People's Republic of China," the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China," the "Law of the People's Republic of China on Prevention and Control of Water Pollution," the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes," and other relevant environmental laws and regulations. A comprehensive pollutant discharge management system has been established to strictly control emissions during operations and minimize their negative environmental impact. For major pollutants such as wastewater, waste gas, solid waste, and noise, our manufacturing subsidiaries have formulated pollutant discharge management systems, including the "Wastewater Management Policy," "Solid Waste Management Policy," and the "Noise Management Policy." We also set annual environmental targets to reduce emissions and mitigate environmental pollution.

75% *of our manufacturing subsidiaries have obtained ISO 14001 environmental management system certification.

*Xindeco IoT Malaysia was established in December 2024 and is currently in the process of applying for ISO 14001 Environmental Management System certification.

Water Resources Utilization

We strictly comply with the "Water Law of the People's Republic of China," the "Law of the People's Republic of China on Prevention and Control of Water Pollution," and other relevant laws and regulations, and conscientiously implement national water resource management policies. A sound water resource management system has been established and continuously improved to promote the rational allocation and efficient use of water resources. In the course of production and operation, we adhere to the principle of water conservation, optimize water use structures, promote the use of water-saving equipment and efficient processes, and reduce water consumption per unit. We also strictly follow wastewater treatment and discharge regulations by building high-standard wastewater treatment facilities to ensure stable and compliant discharge, minimizing impact on surrounding water environments. A dynamic monitoring mechanism has been put in place, with regular inspections of water supply systems and timely maintenance to detect and repair leaks, continuously improving water use efficiency.

We place great importance on water conservation awareness and the implementation of management responsibilities. Regular training and promotional activities are carried out to enhance employees' awareness of water conservation, and water resource management requirements are integrated into all aspects of our business operations. Strict water-saving measures are enforced across both office and production sites, with a strong focus on managing non-production water use. We actively promote reclaimed water reuse and recycling models, leveraging digital monitoring tools to implement dynamic management and achieve refined control of water resources. Through continuous optimization of water resource utilization, we effectively improve water use efficiency and minimize our impact on the aquatic environment.

Routine Water Dispenser Leak Check

Water Conservation Reminders

Publicity on Water Resources Protection

Pollutant Discharge

We strictly comply with the "Environmental Protection Law of the People's Republic of China," the "Law of the People's Republic of China on Prevention and Control of Water Pollution," the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China," the "Soil Pollution Prevention and Control Law of the People's Republic of China," and the "Law of the People's Republic of China on the Prevention and Control of Noise Pollution." We regard environmental protection as a key aspect of high-quality development. By standardizing pollutant discharge management and practicing green operation principles, we strive to minimize the negative environmental impact of our business activities and achieve sustainable growth.

Wastewater Discharge Management

Wastewater generated from our operations primarily comes from the electronics technology and automobile dealership segments, while other business segments involve only domestic water usage and discharge.

In the electronics technology segment we have established the "Wastewater Management Regulations" to ensure effective treatment of wastewater, aiming to achieve compliant discharge and minimize its negative environmental impact.

- For oil-containing wastewater from air compressors, we use oil-filtering devices to treat the discharge effectively. The filtered wastewater is then discharged into the sewer system, and the filter pads are replaced quarterly to maintain performance.
- For other types of wastewater, it is collected and directed into the domestic sewage system, where it is first treated through septic tanks before being discharged into the municipal sewer network.
- Routine inspections are conducted on the domestic sewage pipelines and septic tanks to monitor parameters such as pH value, color, and clarity. If abnormalities are detected in the drainage system or septic tanks, we take prompt corrective actions and record the findings in the "Domestic Sewage System Inspection and Maintenance Log" to ensure timely resolution.

In the automobile dealership segment

Wastewater generated during business operations primarily includes car wash wastewater and domestic sewage. Major pollutants include anionic surfactants, ammonia nitrogen, total nitrogen, total phosphorus, and petroleum substances. We have installed a three-stage sedimentation system to filter wastewater from car wash areas and workshops. This system removes suspended solids from the water, and the treated, compliant supernatant is discharged. Sediment from the bottom of the tanks is cleaned regularly to maintain treatment efficiency.

In 2024, we engaged a third-party agency to conduct wastewater testing, and all results confirmed that the discharged water met regulatory standards.

Air Emissions Management

The air emissions generated from our operations mainly come from the electronics technology and automobile dealership segments. In 2024, third-party testing confirmed that all air emissions met regulatory standards.

In the electronics technology segment

Air emissions generated during operations primarily include non-methane hydrocarbons, tin and its compounds. To manage emissions from processes such as cleaning, potting, mixing, soldering, and baking, we have established the "Air Emissions Management Regulations," ensuring effective treatment and compliance with emission standards. Key measures include:

- Organic volatile gases from die baking, adhesive mixing, and other processes are collected through piping systems and discharged from the rooftop.
- Tin- and lead-containing fumes generated during soldering are captured via sealed collection pipelines and treated through an activated carbon system before being discharged upon meeting standards.
- Operators are required to seal volatile chemicals with lids and use low-volatility, low-hazard materials to control VOC emissions at the source and minimize environmental impact.
- Regular maintenance and inspection of company vehicles are conducted, with annual inspections performed as scheduled to ensure optimal operation and reduce pollution.
- Routine maintenance and inspections are carried out based on the operating manual for the exhaust treatment system. In the event of abnormal emissions, emergency measures are taken promptly. Additionally, third-party monitoring of air emissions is conducted annually to ensure compliance with environmental regulations.

In the automobile dealership segment

Exhaust gases generated during operations mainly include benzene, toluene, xylene, and non-methane hydrocarbons from spray booth emissions. We have implemented the following measures to reduce emissions:

- Spray booths remain closed during baking and paint mixing operations, and VOC photo-oxidation purification equipment is used to minimize exhaust emissions.
- Activated carbon, adsorption cotton, and other filtration components in the equipment are regularly replaced to maintain treatment efficiency. For paint shop emissions, VOC treatment systems that meet regulatory standards have been installed. Airborne spray fumes are directed into XHTML VOC purification units through a ventilation system. These units apply dry filtration technology to remove paint sludge and capture fine particles such as paint mist, toluene, and xylene that were not filtered out earlier, effectively reducing particulate pollution. The remaining organic exhaust is then directed into an activated carbon adsorption zone, where the carbon captures and neutralizes volatile organic compounds (VOCs), completing the processes of gas-dust adsorption, capture, and odor removal. This treatment achieves a removal efficiency of over 80% for large-molecule VOCs. The purified gas is finally discharged through a high-level chimney via an exhaust fan, ensuring compliance with emission standards and effectively mitigating air pollution.

Exhaust Gas Treatment Facilities

Exhaust Gas Treatment Facilities

Waste Disposal

We strictly adhere to relevant policies and regulations for waste disposal, such as the "Environmental Protection Law of the People's Republic of China," the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes," and the "Regulations on the Transfer of Hazardous Waste." We have established a comprehensive waste disposal system, formulated waste management procedures, and strictly control the discharge of various types of waste during operations. Additionally, we implement waste reduction measures to minimize the negative impact of waste on the environment.

General Waste

In our operations across various business segments, the general waste generated mainly includes waste paper, waste document bags, and discarded parts. For different types of general waste, we adhere to the principles of waste reduction and reuse, aiming to minimize the negative impact on the environment.

In the electronics technology segment

We adhere to the principles of "reduction, generalization, and recycling " and have established a waste materials management team to handle packaging waste and scraps to reduce material loss and costs, further standardizing the management of waste generated during production operations. For low-value recyclable materials, such as used cardboard, we entrust waste buyers to handle the recycling. For waste generated during renovation or maintenance, the corresponding project company's responsible department is in charge of disposal. For large recyclable waste materials, such as brackets, silver paste, and other temporary waste, our team has compiled a list of waste material buyers and conducts public bidding for sales. Additionally, we have formed a "Waste Classification Management Steering Group" and hold monthly coordination meetings to mobilize, educate, supervise, and report on waste classification efforts. In 2024, we held 5 waste classification training sessions and 4 inspections.

Held
5 waste classification training sessions

And
4 inspections

In the supply chain sector

The general waste mainly includes paper, envelopes, document bags, disposable items, food packaging, discarded furniture, plant trimmings and fallen leaves, as well as construction waste. The following measures are taken for management:

- Implement digital office practices to reduce paper usage, such as using electronic documents and e-signatures.
- Reduce printing and copying needs, and for necessary printouts, use double-sided printing.
- Prioritize the purchase of environmentally friendly materials and recyclable products, such as biodegradable stationery and reusable office supplies.
- Choose products with minimal packaging to reduce packaging waste.
- Upgrade office equipment and maintain office areas to extend the lifespan and efficiency of equipment, reducing waste caused by damage or aging.
- Set up different types of trash bins in office areas to classify and collect waste, ensuring proper disposal of various waste types.
- Raise employees' awareness and skills in waste classification through training and promotional posters, ensuring they can accurately sort waste for disposal.

Waste Classification Training

In the automobile dealership segment

We have established policies such as the "Management Regulations on Productional and Operational Waste" and the "Management Measures for Waste Materials (Trial)" to regulate the management of waste generated from our production and operations. The general waste generated during our business operations includes vehicle maintenance waste and waste paper, which are managed through the following measures:

- For household waste, a waste classification room is set up to separately store kitchen waste, other waste, and recyclable waste, which are then handled or disposed of by qualified units.
- A designated storage area for general waste is set up, following the principles of classification and zoning with implementation of 5S management.
- Recyclable general waste is entrusted to a recycling partner for collection, while non-recyclable waste is stored in the designated storage area and periodically transferred by a third-party agency.

Hazardous Waste

The hazardous waste generated during our operations primarily includes waste lead-acid batteries, waste thinners, and waste alcohol produced from the electronics technology and automobile dealership segments. For hazardous waste management, we implement classification and storage in designated areas, set up identification labels and informational cards, and entrust qualified third-party organizations for disposal. Additionally, we conduct hazardous waste disposal training to raise employees' environmental awareness and prevent environmental pollution caused by improper hazardous waste management.

In the electronics technology segment

The hazardous waste generated during business operations mainly includes waste alcohol and waste cleaning agents. We have established internal policies such as the "Hazardous Materials Management System," "Hazardous Waste Warehouse Management System," "Management System for Hazardous Waste Pollution," "Environmental Emergency Plan for Hazardous Waste Accidents," and "Management of Dedicated Monitoring System for Etching Room Hazardous Chemicals" to regulate the management of hazardous waste emissions. Additionally, we have set up a "Chemical Inspection Record Form" to monitor activities related to the procurement, storage, usage, disposal, and emergency measures of hazardous materials.

For chemical waste liquids:

- Classified collection and storage are required, with clear labeling of types.
- Leak-proof and impermeable facilities are installed in the storage area of chemical waste liquid, and appropriate firefighting equipment is provided to ensure safety and environmental protection.
- Once a certain amount of waste liquid is collected, it is legally transferred to a qualified third party for disposal.
- Recycle chemical containers whenever possible. Containers that cannot be recycled or reused are stored in a centralized manner and a qualified third party is appointed for disposal.

Hazardous Waste Storage Facility

In the automobile dealership segment

We have established the "Management System for Hazardous Waste Pollution," "Responsibility System for Prevention of Hazardous Waste Pollution," and "Hazardous Waste Warehouse Management System." The hazardous waste generated during our business operations includes waste mineral oils, waste lead-acid batteries, waste thinners (solvents and diluents used in the spray painting industry), and waste paint sludge.

Our main management measures for hazardous waste include:

- Continuously improve the emergency management system and ensure the integrity of emergency facilities and equipment to enable prompt and effective handling of environmental emergencies.
- Use water-based paints instead of oil-based paints for spray painting materials, promoting the use of environmentally friendly materials.
- Assign a dedicated person to manage hazardous waste, ensuring that hazardous waste is strictly classified based on its characteristics and transported in designated containers and bags.
- Collaborate with certified units recognized by the provincial Environmental Protection Bureau of the operating location to recycle and treat reusable hazardous waste, aiming to reduce the amount of hazardous waste generated.
- Strengthen training on the collection, classification, and storage of hazardous waste during production, strictly adhering to the classification requirements, enhancing on-site cleaning management, and increasing supervision to ensure standardized management of hazardous waste storage areas.

On-Site Hazardous Waste Cleanup and Management Training

Xindeco ‹ **2024** Sustainability Report

Climate Response • Energy Utilization • Ecosystem and Biodiversity Protection • Environmental Compliance Management • Water Resources Utilization • Pollutant Discharge • Waste Disposal • Circular Economy • **Environment**

Circular Economy

Developing a circular economy is a key pathway for driving green transformation and achieving the carbon peaking and carbon neutrality goals. We actively respond to national strategies, embrace the new development paradigm, and deeply integrate the principles of circular economy into our corporate development strategy. Through measures such as innovating resource utilization models, optimizing production processes, and advocating for resource recycling, we are comprehensively advancing resource conservation and recycling to contribute to sustainable development.

Recycling of Steel Scrap Resources

Xindeco Supply Chain Steel Center follows a comprehensive industry chain development strategy and actively explores both domestic and international markets. In 2024, our scrap steel raw material supply reached 30,900 tons.

We have formed strategic alliances with leading industry players, optimizing resources and sharing with them to jointly pursue development and empower the whole industry. This has resulted in a new pattern of complementary advantages, shared risks, and collaborative win-win outcomes. We continue to advance our self-managed warehouse projects, providing customers with efficient and integrated logistics services, accelerating the extension of the industry chain to the physical end. By actively integrating into the country's new "dual circulation" development pattern, we have established an overseas office in Malaysia to assist in the reuse of local steel scrap resources, providing channel support for local sustainable development, and further helping Belt and Road countries enhance the breadth and convenience of trade connectivity. Our Malaysia office works closely with local steel enterprises, primarily engaging in the supply of steel scrap materials and the sale of steel billet products, committed to promoting the green development of the steel supply chain.

Scrap steel raw material supply reached
30,900 tons
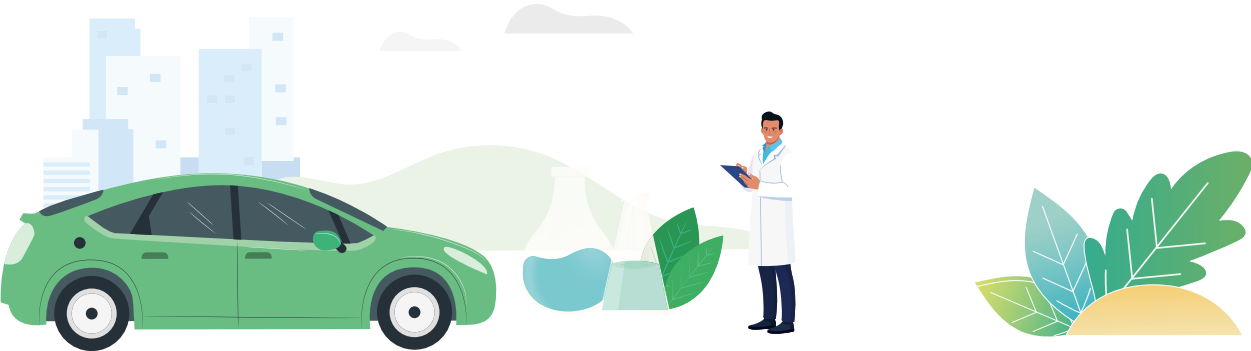
Executing Sustainable Actions

Our subsidiary, Xindeco Tongbao Automobile, practices the concept of green, circular, and sustainable development, advocates a culture of sustainability, and actively engages in public welfare activities for the recycling of used items. The company is committed to promoting the concept of the circular economy to the consumer end and working with our partners to promote resource recycling.

Resource Conservation and Recycling

- Promote paperless office and digital management, reduce the use of paper orders, and use electronic nameplates instead of paper flyers.
- Replace the seat covers, floor mats, and steering wheel covers used in maintenance reception with reusable and biodegradable materials.
- Utilize green building materials, green furniture, and green workwear while implementing waste sorting and recycling high-pressure batteries to achieve material recovery and reuse.

Green Furniture in Xindeco Tongbao Automobile Store

02
SOCIETY

◉ 2024 Management Targets for Social Matters

· The proportion of local employees hired annually is not less than 60% (within the province)

· Continue investing in innovation and R&D, with no fewer than 30 new intellectual property rights granted during the year and an R&D investment of no less than 40,000 thousand RMB

· No intellectual property infringement incidents during the year

· Further improve supply chain risk management by strengthening supplier audits and evaluations to effectively mitigate supply chain risks

· No incidents of overdue payments to small and medium-sized enterprises during the year

· No major liability incidents related to product or service safety and quality during the year

· No information security incidents or customer information breaches during the year

· No penalties received due to violations of labor laws or suspected employment discrimination during the year

· No work safety accidents occurred during the year, including catastrophic, major, or general incidents

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees **Society**

Rural Revitalization and Social Contributions

We uphold the core values of "Leadership, Responsibilities, Hardworking and Partnership," and actively promote the construction of harmonious and mutually beneficial community relationships with the regions we operate in. Leveraging our industry and resource advantages, we contribute to rural revitalization and enhance urban and community well-being through industry assistance, educational support, public welfare investments, and other initiatives, fulfilling the social responsibility and commitment of state-owned enterprises.

Rural Revitalization

Prosperity through Coordinated Production and Sales, Benefiting People's Livelihoods Across Vast Fields

We actively respond to China's rural revitalization strategy by establishing a targeted assistance partnership with Jinbing Village in Xiang'an District, Xiamen. We assist the village in tapping into its potential for ecological agriculture development, revitalizing and integrating various resources, and continuously enhancing its self-sustaining capabilities. We have dispatched personnel to provide on-site support, and through field research and in-depth discussions, we collaborate with stakeholders to explore feasible assistance measures, helping the village's collective economy achieve stable and sustainable income.
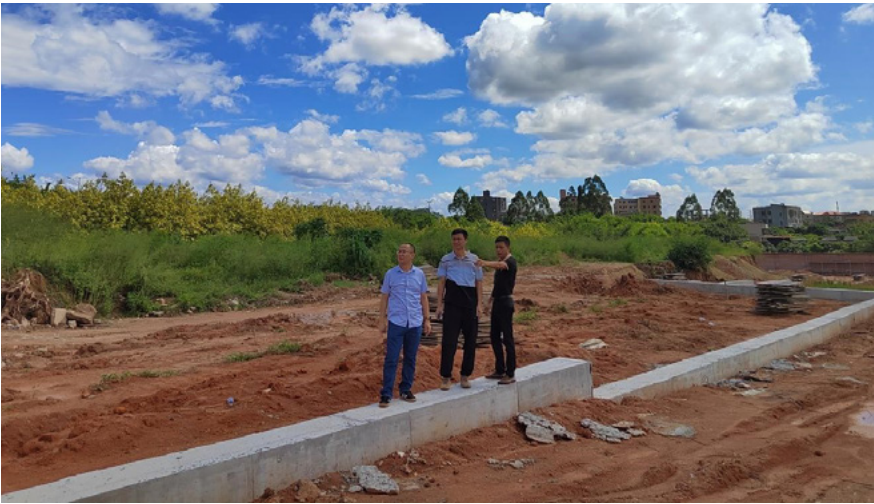
The company's village-based cadre, together with the work team, went to the fields to gain a clear understanding of the village's situation and conditions

We have continued to promote the "purchase instead of donation"consumption-based assistance mechanism, leveraging order-based agriculture to activate local resource endowments and drive local industrial development. Guided by the "one village, one product"strategy, we supported Jinbing Village in developing a series of "Millennia-old Jinbing"specialty agricultural product packages. This initiative further strengthened the connection between production and sales, directly helping farmers increase their income while improving standardization and branding on the production side. It also contributed to upgrading the local agricultural industry chain and injecting fresh momentum into rural industrial revitalization. In 2024, we purchased RMB 170,000 worth of specialty agricultural products from Jinbing Village, RMB 38,000 worth of Jianning yellow peaches, and carried out poverty alleviation purchases in Ningxia, Xinjiang, and Tibet, with a total procurement amount reaching RMB 580,000.

Rural Revitalization and Consumption-based Assistance

Purchased specialty agricultural products from Jinbing Village

170,000RMB

Carried out poverty alleviation purchases in Ningxia, Xinjiang, and Tibet, with a total procurement amount reaching

580,000RMB

The Education Flourished Far and Wide, Nurturing the Pillars of Future Might

Since August 1999, we have established the "Hand-in-Hand" charity assistance project with the Bayi Hope Primary School in Shiren Village, Changting County, Fujian Province. By 2024, the project has been running for 25 years. We have combined corporate funding to support the school with one-on-one assistance from employees to help students, effectively addressing the practical needs of underprivileged students.

In 2024, we organized spring and autumn educational assistance activities, raising a total of 44,000 RMB for scholarships. By the end of 2024, we had assisted 1,386 students, igniting the flames of education and laying a solid foundation for talent development in rural revitalization.

Raised a total of

44,000RMB

for scholarships

Had assisted

1,386students

The 2024 "Hand-in-Hand" Charity Assistance Project

Xindeco ❮ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Social Contributions

Fostering Harmony Across the World, Cultivating Unity Within Communities

On the basis of respecting and protecting the local community's cultural traditions and ecological environment, we prioritize offering commercial opportunities such as product and service procurement, technical support cooperation, and more to local businesses, promoting economic development and improving the community's living standards. We have established an open and proactive communication mechanism to ensure timely understanding of community needs, receive community feedback, and carry out targeted public welfare activities. This helps identify and eliminate any adverse impacts of our business activities on the community, effectively integrating various resources within the community, and building an equal, respectful, harmonious, and mutually beneficial community relationship. In 2024, the proportion of local employees hired by the company was 64.28%.

The proportion of local employees hired by the company was

64.28%

Highlight 📖

In 2024, we focused on market demand to expand our overseas business, using Malaysia as a strategic hub to deeply develop the local market, build overseas production bases, and establish a global marketing network, driving our international development. Xindeco IoT Malaysia plans to build six Muhlbauer binding production lines and two Muhlbauer composite production lines. Adhering to the principle of shared development between businesses and society, we aim to promote local economic growth while creating more job opportunities for local residents.

The Grand Opening Ceremony of Xindeco IoT Malaysia

Good Deeds Bring Care, Promoting Community Well-being in Public Service

We use public welfare as a bond, integrating concerns for people's livelihoods into our actions. Through diverse initiatives such as educational support, healthcare accessibility, and environmental improvement, we have created a warm and inclusive community network. We continuously organize various volunteer services and public welfare activities, promoting community involvement, improving the community environment, and enhancing residents' quality of life, while fostering more harmonious community relationships. In 2024, we organized 65 volunteer service activities, with a total of 743 volunteer participants, amounting to 1,135 hours.

With a total of

743 volunteer participants

Amounting to

1,135 hours

Community Volunteer Service Activities

"Clean Homes and Create Civilization" Civilized Practice Activity

"Happy Children's Day · Fun Carnival" Themed Event

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Highlight 📖 **"Lei Feng Learning Month" Campaign**

Each of our business divisions has taken on service projects, including charity assistance, caring for minors, vehicle diagnostic testing and free second-hand car evaluations, charitable visits, youth science popularization education, sports activities, and more.

At the event, we combined our core business to provide community residents with consultation services on vehicle annual inspections, driving license replacements, insurance renewals, vehicle trade-ins, vehicle evaluations, and more. We also gave on-site presentations on car selection and safety precautions, promoting civilized travel.
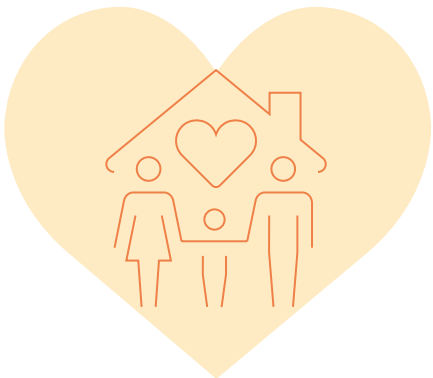
Highlight 📖 **"Braiding Dreams with Bamboo, Crafting a Heartfelt Journey for Children" Public Welfare Volunteer Activity**

We, in collaboration with the Fujian Xiamen Xianhou Library, organized the "Braiding Dreams with Bamboo, Crafting a Heartfelt Journey for Children" themed activity. Volunteers guided children from the urban villages in learning bamboo weaving techniques and experiencing traditional craftsmanship. This event marks the fourth consecutive year that we have partnered with the library to enrich the extracurricular life of children in the urban villages and to pass on intangible cultural heritage.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

Innovation-driven Development

Innovation is a key driving force for promoting sustainable development and enhancing competitiveness. With the mission of "Leading globally competitive industries, Creating a better life," we invest in research and development, closely focusing on providing services that support the innovative development of the real economy and assist in its transformation and upgrading.

Technological Innovation

We fully leverage our resources, channels, and core technological advantages, continuously invest in research and development, promote innovation in product technology and service models, achieve specialized business development, and drive high-quality growth.

R&D and Innovation Management

We adhere to the integration of research and development with practical business operations. By systematically improving R&D management, iterating and upgrading regular market research and specialized studies, continuously developing new products and technologies, and organizing diverse communication and discussion forums, we support the company's transformation, upgrading, and cost reduction while improving efficiency.

In 2024, to further seize development opportunities, strengthen industry research and development management, and effectively enhance business decision-making and development quality, we established a dedicated R&D leadership team. The team oversees three working groups: The Electronics Technology Business R&D Group, the Black Materials Business R&D Group, and the Non-ferrous Materials Business R&D Group. The R&D leadership team holds quarterly meetings, while each working group convenes biweekly meetings. Additionally, a monthly industry news newsletter is published, and a specialized research report is completed every quarter. We also organize internal and external collaborative sharing and exchange sessions on an ad-hoc basis. We have established an R&D collaboration and communication mechanism, actively organizing relevant employees to participate in various internal and external training sessions, forums, and other activities, where they can share and discuss technical standards, R&D experiences, and more. We have also built strong communication channels with external organizations to foster exchanges and interactions within the industry. In 2024, we focused on four major business segments, including the Internet of Things, bulk commodity supply chains, and the upstream and downstream automotive industry, participating in approximately 84 events and organizing around 27 activities.

The Company Organized Training Session on "Governance Transformation and Corporate Development of Large-Scale Conglomerates"

Xiamen Xindeco IoT Participated in the 22nd International Internet of Things Exhibition

In the digital intelligence technology segment

In 2024, Xindeco Intelligent IoT established an R&D Technology Center. Xindeco Intelligent IoT, in collaboration with Shandong Xindeco IoT, revised technical management standards, project management procedures, and other regulatory systems. They adopted a function-based R&D management model, dividing functions according to professional fields with clear responsibilities. This approach ensures strict control over the entire lifecycle of R&D projects, including initiation, planning, execution, monitoring, and closure. It standardizes the development of R&D activities, enhances work efficiency, and reduces the risks associated with R&D activities.

In the electronics technology segment

Xindeco Electronic Information Technology adopts the IPD (Integrated Product Development) systematic R&D philosophy, methods, and model. Using a project-based approach, the company establishes PDT (Product Development Team) for R&D projects, forming cross-departmental project teams to ensure that project execution aligns with development plan requirements. The company has an R&D Management Department, and its subsidiaries, Xindeco IoT and Xindeco Optoelectronics, have corresponding technical centers or departments. We actively encourage R&D innovation and have formulated and continuously improved the "Technology Advancement Reward Management Measures." The company has established three major categories of technology advancement awards, clearly defining reward methods to inspire the enthusiasm and creativity of technical staff. This encourages them to actively engage in R&D innovation, enhancing the company's technological innovation capabilities. We also focus on promoting the industrialization and marketization of R&D innovations to improve the company's market competitiveness. In 2024, Xindeco IoT established the EAS+RFID Special Project Working Group, while Xindeco Optoelectronics set up an R&D Innovation Group. Both entities continue to invest in R&D in specific fields and niche products, improving product competitiveness and added value.

In the supply chain segment

in 2024, we established the R&D departments for the Ferrous Metals Division and the Non-ferrous Metals Division. The Ferrous Metals R&D Department regularly collaborates with relevant business departments to discuss market trends, gather market research insights, and develop strategies to respond to market conditions.

In the automobile dealership segment

Xindeco ITG Automobile Group focuses on industry development, emerging industrial chains, and internationalization. It has established a dedicated R&D team to define R&D topics related to the automotive industry.

In 2024, we invested a total of 45,679.46 thousand RMB in R&D, which accounted for 0.1% of our main business revenue. As of the end of the reporting period, we had a total of 79 R&D personnel, making up 1.98 % of our total workforce.

Invested a total of

45,679.5

thousand RMB in R&D

which accounted for

0.1%

of our main business revenue

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

R&D and Innovation Achievements

In 2024, we continued to focus on various business segments, producing 134 industry research reports, primarily covering macroeconomics and policy analysis, the big IoT industry and LED industry, supply chain bulk commodity research, and the upstream and downstream automotive industry chain. We also maintained our commitment to R&D, with 75 new product development projects initiated and 21 new patents granted. Additionally, we received multiple honors and awards in fields such as data platforms, smart applications, IoT technology R&D, intelligent system integration, and LED packaging and lighting product development.

In the digital intelligence technology segment

We continued to increase our R&D investment in areas such as big data, IoT technology, smart warehousing, and military-civil integration. A total of 17 new R&D projects were initiated, and we were approved for the "Jinan Engineering Research Center-Supply Chain Intelligent Warehousing IoT Platform." We also completed the CSMM and DCMM assessments. In 2024, the Digital Intelligence Technology segment was granted 1 new authorized invention patent.

In the electronics technology segment

We possess the core capabilities for independently developing and manufacturing RFID electronic tags, readers, and the associated software and hardware, as well as providing personalized, complete system integration solutions. Currently, Xindeco IoT's RFID electronic tag production capacity ranks among the leaders in the industry and can simultaneously meet the product demands of multiple global-scale customers. We are a leading brand in providing overall RFID solutions for the domestic footwear and apparel retail industry. In 2024, the Electronics Technology segment continued to invest in IoT technology development, LED packaging, and lighting product R&D, with a total of 79 projects initiated and 20 new patents granted.

In the supply chain segment

We launched the self-managed smart warehouse system, a monitoring and management platform developed for logistics and warehouse risk control scenarios. By integrating intelligent cameras, barrier gates, weighing scales, electronic cranes, AI servers, and other technologies, we utilized IoT, big data, and AI to connect both hardware and software. This system allows for automatic data collection and visual monitoring of vehicles, goods, and personnel, enabling real-time cargo identification, location tracking, and risk alerts. This ensures the authenticity, security, and reliability of physical goods transfer data while optimizing costs and improving efficiency. In 2024, the Black Metal Division focused on risk control and quantitative analysis. Using Xindeco Hongda Warehouse as a pilot project, we upgraded the smart warehouse system, adding automatic weighing and alert functions. Real-time data comparisons allow for immediate action in addressing anomalies, effectively resolving conflicts between business efficiency, risk control, personnel requirements, and business transformation. Additionally, the Xindeco Cloud Business platform promotes collaboration with upstream and downstream partners, forming an integrated supply chain ecosystem. By evaluating and identifying low-efficiency business scenarios, we facilitated online collaboration with partners, enhancing daily operational efficiency for customers and self-managed warehouses.

In the automobile dealership segment

Our digital platform covers the entire business chain of 4S stores, including potential customer management, vehicle sales, after-sales service management, used car management, parts procurement, financial management, customer service, and marketing. This enables four key integrations: integrated group control, integrated business operations, integrated finance, tax, and business operations, and integrated online and offline management. The digital platform has improved overall business collaboration and information exchange, enhancing operational management. By applying various new digital and intelligent technologies, we have automated and optimized multiple business functions. At the same time, we have actively expanded into the smart marketing field through the development of modules such as customer service, used car management, CRM, and mini-programs. This has significantly improved efficiency, reduced costs, and enhanced quality, leading to better results in both cost reduction and operational efficiency.

In 2024, we received the following major awards in technological innovation:

Xiamen Xindeco Ltd.

- The "IT Demand Performance Improvement" project was awarded the Award of Excellence by ISPI
- The "Xindeco Supply Chain Intelligent Warehousing System" was selected as one of the "Outstanding Digitalization Cases of the Supply Chain in 2023" by the Xiamen Modern Supply Chain Federation
- Xindeco's "Big Data Intelligent Analysis Platform" was awarded the "Big Data Innovation Product" award by DIIRC

Xiamen Xindeco IoT Technology Co., Ltd.

- Recognized as one of the "Top 100 IoT Enterprises in China 2023" by the China Internet of Things Industry Alliance, Shenzhen Internet of Things Industry Association, and Ulinkmedia
- Awarded the title of "Passive IoT Innovation Demonstration Enterprises" by the AIoT Technology and Industry Association
- Awarded the "SSCL APAC 2024 AWARDS – Best Logistics Innovation" by the Ningbo China Institute for Supply Chain Innovation, CSCMP, and TAPA APAC
- The "Tea Management System Project of a Tea Group in Xiamen, Fujian" was selected as a "2023 Benchmark Case in China's IoT Industry" by the China Internet of Things Industry Alliance, Shenzhen Internet of Things Industry Association, and Ulinkmedia
- The "Ultra-thin Single-layer Liquid- and Metal-resistant Tag" won the "2024 22nd IOTE Gold Award for Innovative Products," jointly awarded by the Shenzhen Internet of Things Industry Association and the IOTE Organizing Committee
- The "Implantable Linear Tag" was awarded the "2024 Xiamen Excellent IoT Product and Application Solution" by XIOTIA

Xiamen Xindeco Optoelectronics Co., Ltd.

- Awarded the title of "2024 Hangjia Aurora Award – Influential Supply Chain Enterprise of the Year in RGB Packaging (Discrete Devices)" by Mini&Micro LED Industry Research Center
- The "LED lighting fixture integrating anti-counterfeiting, anti-tampering, and long-distance on-site identification functions" was awarded the Excellence Award in the 11th China LED Innovation Award by SLDA
- The "Top 2727 Lens Technology Project" won the "Hangjia Aurora Award – 2024 Outstanding Product Award" as evaluated by Mini&Micro LED Industry Research Center
- The "Top 2020 DCI Product" won the "Outstanding Product Award" at ISLE 2024
- Awarded the title of "Xindeco LED Advanced Packaging and Application Innovation Center" by the Xiamen Science and Technology Bureau

Xiamen Xindeco ITG Automobile Group Co., Ltd.

- The "Smart Operation and Service Digital Platform" was selected by DIIRC as an "Outstanding Digitalization Case in the Automotive Industry."

Xindeco ‹ 2024 Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

Intellectual Property Rights Protection

We adhere to relevant laws and regulations, such as the "Patent Law of the People's Republic of China," the "Copyright Law of the People's Republic of China," and the "Trademark Law of the People's Republic of China," to protect intellectual property rights, including patents, copyrights, and trademarks. We have established the "Trademark and Brand Name Management Measures," which clearly define procedures for trademark registration, modification, renewal, transfer, licensing, and protection, thereby strengthening the management of trademarks and brand names. In 2024, we obtained 35 copyright registrations and 21 patents. As of the end of the reporting period, we hold a total of 131 registered copyrights, 235 authorized patents, and 135 registered trademarks, with no intellectual property infringement incidents occurring.

Obtained
35 copyright registrations

Patents
21 in total

As of the end of the reporting period, we hold a total of
131 registered copyrights

Authorized patents
235 in total

In the digital intelligence technology segment
In 2024, Shandong Xindeco IoT obtained the Intellectual Property Standardization Management System Certification and continued to strengthen the development of its intellectual property management system.

In the Electronics Technology segment
Xindeco Electronic Information Technology places great importance on intellectual property protection. The R&D Management Department is responsible for intellectual property management functions and has developed the "R&D Project Management Measures" to regulate the management and confidentiality of R&D projects. The company strictly enforces confidentiality management throughout the R&D process. By strengthening internal centralized management and actively collaborating with external organizations, the company ensures timely intellectual property applications, registrations, and dynamic tracking, continuously improving the management of the entire R&D and intellectual property process and enhancing intellectual property protection.

Suppliers and Customers

Innovation is a key driver of sustainable development and enhanced competitiveness. In response to the national strategy of developing "new quality productive forces," we remain committed to our mission of "leading globally competitive industries, creating a better life." By investing in R&D and innovation, we focus on serving the innovative development of the real economy and supporting its transformation and upgrading. We actively cultivate long-term, stable, and honest partnerships with suppliers and uphold the principles of responsible sourcing. Together with our partners along the industrial value chain, we are dedicated to delivering outstanding products and services to our customers. At the same time, we strive to minimize the negative impact of the industrial chain on the environment and on employee health and safety, enhance supply chain resilience and security, and advance the sustainable development of the supply chain.

Responsible Sourcing

All of our business operations are conducted in strict compliance with applicable domestic laws and regulations, as well as recognized international standards and initiatives. Based on this foundation, we extend our commitment to human rights protection throughout the entire value chain, including our business partners. We advocate for a cooperative environment that is honest, transparent, equitable, and respectful, while fostering long-term, stable relationships. We encourage each of our business segments to incorporate environmental and social responsibility into partner evaluation criteria, and we rigorously implement the principles of green and responsible sourcing. By strengthening the evaluation mechanisms for supplier sustainability performance, we prioritize partnerships with suppliers that demonstrate excellence in sustainable development. Our goal is to provide customers with high-quality, responsible, and environmentally and socially friendly products and services.

In digital intelligence technology segment
We adhere to the principle of responsible sourcing and promote integrity, compliance, and sustainability throughout the supply chain. We require suppliers to sign the "Integrity Commitment Letter" and the "Confidentiality Agreement" and communicate our business ethics policies to ensure a fair and just cooperation environment. At the same time, we encourage suppliers to continuously improve in areas such as environmental protection, labor rights, and occupational health and safety, working together with upstream and downstream partners to fulfill shared social responsibilities.

We have strengthened our supply chain management by establishing transparent communication and feedback mechanisms for suppliers. Suppliers are encouraged to report any misconduct involving procurement or related personnel directly to our General Administration Department or the Operations Compliance Department. We are committed to working hand-in-hand with our suppliers to enhance both the stability and compliance of the supply chain, while jointly advancing the practice of responsible sourcing.

In electronics technology segment

We have introduced the "Supplier Management Measures" and the "Supplier Evaluation and Monitoring Measures" to standardize the procurement process. We require suppliers to sign integrity agreements, uphold business ethics, and strictly oppose all forms of corruption, bribery, and unethical business practices. Through this collaboration, we aim to build a sustainable supply chain management system.

Supplier Evaluation and Supervision

We incorporate supplier performance in areas such as service capability, product quality, environmental protection, and occupational health into our assessment standards. Evaluation is conducted through both desk review and on-site audits. Based on these assessments, we develop supplier evaluation plans and carry out quarterly and annual reviews. The list of qualified suppliers is updated annually, and disqualified suppliers are removed. For those who do not meet evaluation standards, we initiate corrective action plans and provide support to help them meet our basic management requirements and eliminate potential risks.

Environmental Protection in the Supply Chain

Since 2019, we have distributed the "Environmental Protection Initiative" to our partners, assessing their management practices related to greenhouse gas emissions, wastewater, air pollutants, noise, and hazardous waste. We collect information on existing environmental initiatives and planned improvement measures to help our partners enhance their environmental management performance.

Xindeco IoT Supplier Routine Supervision

Product Quality Supervision	· We verify goods provided by suppliers in accordance with the "Inspection and Test Control Procedure" and regularly compile qualification statistics. · For suppliers whose performance rating falls below 90%, we issue verbal warnings. If a supplier's products fail quality inspection three consecutive times, we issue a "Supplier Delivery Exception Feedback Form" and require corrective actions from the supplier.
On-time Delivery of	· We monitor and regularly assess delivery timeliness. · For suppliers who fail to deliver on time, we issue a verbal warning and impose penalties as per the contract. If late delivery occurs three consecutive times, we issue a "Supplier Delivery Exception Feedback Form" and require the supplier to take corrective measures.

Xindeco Optoelectronics Supplier ESG Performance Management

ESG Performance Management of On-site Activities by Service Contractors	· For temporary contractors, we issue a "Supplier On-Site Operation Notice" to inform them of environmental protection precautions and supervise their operations. · For long-term contractors, a "Supplementary Agreement" must be signed, and personnel assigned to on-site work are required to receive training before starting their duties.
ESG Performance Management of Other Service Providers	· For service providers such as vehicle and elevator maintenance companies, we sign an "Environmental Protection Agreement" that stipulates: during maintenance, clean cloths must be used to thoroughly absorb and remove oil residues from elevator cabins and vehicle surfaces to minimize the discharge of oil substances into water. Wastewater must be treated before discharge into sewage systems, and all hazardous waste generated during maintenance must be properly and legally disposed of. · For construction contractors, we sign an "Environmental Protection Agreement" requiring prevention and control of pollution during construction, including noise, dust, wastewater, and construction waste. · For waste recyclers and hazardous chemical transportation contractors, we collect and verify documentation to ensure legal compliance.

We have established the "Procurement Control Procedure" to regulate the full lifecycle management of suppliers, from onboarding to offboarding. For key material suppliers, a qualified sample audit must be completed before they undergo on-site audits. Prior to the official commencement of procurement, suppliers are required to submit product testing reports for the intended goods. We also conduct comprehensive annual evaluations on product quality, delivery stability and timeliness, end-to-end sales service capabilities, responsiveness, and overall cooperation.

New Supplier Admission Audit Process

Qualification Review
· Collect information and documentation from suppliers capable of providing manufacturing materials and outsourcing services
· Review business licenses, employee profiles, factory conditions, production and testing equipment, material sourcing, and company certifications, etc.

Sample Review
· Notify suppliers who have passed the initial review to submit samples.
· Conduct sample review, and if necessary, perform quality and reliability tests

On-site Audit
· Visit key suppliers to conduct on-site inspections of supplier products and quality assurance, production equipment and technology, customer support and services, environmental protection, and control of prohibited substances

Supplier Acreditation
· List suppliers who pass the on-site assessment to the list of "Qualified Suppliers for Select"
· Set a minimum three-month probationary period, followed by a review process. Suppliers must pass this review to become "Qualified Suppliers"

Xindeco ⟨ 2024 Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

Highlight

📖 **Green Procurement**

Our independently developed "paper antenna RFID tags" strictly comply with the FSC Chain of Custody (CoC) certification standards. We are committed to increasing the use and content of FSC-certified materials and implementing the requirements of "FSC-STD-40-005." We strictly prohibit the procurement of raw materials from the following sources:

· Forests where ownership or usage rights are disputed	· Forests identified as non-certified high conservation value forests	· Forests subject to illegal logging activities	· Forests converted from natural forests to non-forest or non-plantation use	· Forests containing genetically modified trees

In supply chain business segment

we operate based on the principles of fairness, transparency, integrity, and compliance. We have established internal systems including the "Logistics Management Regulations for Supply Chain Business," the "Credit Management Measures for Supply Chain Business," and the "Detailed Rules for Customer Credit Evaluation Committee," to build a comprehensive customer credit assessment framework.

Supplier and Customer Admission Mechanism

We have established a dedicated Credit Evaluation Committee to conduct independent investigations. In addition to reviewing the business performance and legal risks of counterparties, we also include indicators such as environmental protection and workplace safety in our assessment criteria. This enables us to evaluate both actual and potential risks across the supply chain. Where necessary, we commission third-party credit investigation agencies to support the evaluation.

Ongoing Supplier and Customer Monitoring

In accordance with our internal credit management procedures, we monitor suppliers and customers through email communications, on-site audits, trade fairs, and third-party channels. Regular follow-ups and ad hoc inspections are conducted, with at least one full review cycle completed annually. Counterparties that fail to meet review standards and show no improvement after remediation are subject to disqualification and removal from our approved list.

Logistics Supplier Oversight

We assess logistics suppliers using basic criteria such as company type, credit standing, qualifications, transaction history, warehouse conditions, and overall management capabilities. Additional evaluation dimensions include quality system certifications, customs compliance status, industry reputation, tax payment records, and digital warehouse management capabilities. Periodic performance assessments are conducted, and a one-strike disqualification rule is applied to issues involving dishonesty, safety hazards, or other high-risk factors.

In automobile dealership business segment

we have formulated the "Procurement Management Regulations" and established a Procurement Management Leadership Team responsible for overseeing, guiding, and supervising all procurement projects. At the project or subsidiary level, we set up dedicated procurement working groups that are responsible for reviewing procurement documents, conducting special inspections, and handling supplier complaints.

We carry out procurement activities in strict accordance with applicable regulations through methods such as open bidding, invited bidding, competitive negotiation, inquiry, direct procurement, and other legally compliant approaches. Our goal is to build a supply chain that is fair, transparent, and flexible. In addition to focusing on partner compliance, product pricing, and delivery capability, we also assess our partners' performance in sustainability-related areas such as ecological responsibility, human rights protection, and occupational health and safety, all of which are incorporated into our supplier admission criteria.

For automotive parts and other supply chain partners, we have issued the "Supplier Management Regulations" to standardize qualification reviews. We require partners to sign key documents including the "Commitment to Safe Construction and Compliant Operations," the "Commitment to Honest Cooperation and Fair Competition," and the "Integrity Agreement." These measures are designed to ensure the fulfillment of responsibilities related to occupational health and safety, business ethics, and environmental protection.

Supply Chain Security

We remain committed to advancing high-quality development by continuously enhancing the resilience and security of our industrial and supply chains. Through the ongoing improvement of our credit evaluation system and the establishment of a robust risk assessment mechanism, we strive to minimize and eliminate both actual and potential risks, ensuring the healthy and sustainable development of our supply chain.

We have established a dedicated Credit Evaluation Committee responsible for assessing the credit standing of our business partners. The committee provides critical insights to support risk assessment and decision-making processes, thereby improving the quality and efficiency of our risk management practices. The committee consists of a Chair and several members, with participation from the Risk Control and Compliance Department as well as finance personnel from various business segments. The Chair is responsible for organizing the credit evaluation work and preparing credit assessment reports.

Customer Credit Evaluation and Management

Document Collection

The business unit initiates the evaluation process by completing the "Customer Information Form" and submitting supporting documents, which include third-party credit evaluation reports, business registration information, financial statements, and more.

On-Site Due Diligence

Prior to the credit evaluation, the business unit conducts on-site due diligence, with joint participation from the Risk Control and Compliance Department. A site visit report is issued, focusing on, but not limited to, the customer's business history, production and operational capabilities, financial risk management, and any major adverse factors.

Evaluation Criteria

We adopt the 5C credit evaluation methodology, assessing five dimensions—business capacity, credit history, financial standing, operating environment, and collateral/insurance—to determine an overall rating. Based on this assessment, a credit rating is assigned from AAA (highest) to C (lowest), across nine levels. The credit rating result also serves as the basis for credit line assessment.

Application of Results

A "Credit Evaluation Report" is issued, presenting the customer's operational status, financial statements, and legal risk indicators. This report serves as a reference for decision-making during risk assessment committee meetings.

Ongoing Monitoring

Both the business unit and the Risk Control and Compliance Department continuously monitor the customer's condition. If there is any material adverse change or a request to adjust cooperation terms, we promptly formulate response measures in accordance with relevant policies and may initiate a re-evaluation as needed.

Periodic Re-evaluation

We re-evaluate customers who apply for continued credit transactions based on changes in their operations, financial status, and industry conditions. For customers whose most recent credit evaluation score meets qualification criteria and reflects strong performance, the re-evaluation cycle may be extended to two years.

On this basis, we also implement effective risk mitigation measures. These include encouraging business units to purchase credit insurance and setting credit transaction limits for individual customers or related parties based on credit exposure assessments. In cases of overdue accounts, the business unit must follow the "Operational Risk Reporting and Disposal Management Measures" and respond based on the three-tier risk classification system: "Attention," "Warning," and "Response," with corresponding actions taken for each level.

Equal Treatment of SMEs

We strictly comply with national laws, regulations, and supervisory requirements, including the "Anti-Unfair Competition Law of the People's Republic of China," the "Regulations on Ensuring Payments to Small and Medium-Sized Enterprises," and the "Interim Regulations on Enterprise Information Disclosure." We fulfill our disclosure obligations in accordance with the law and strictly adhere to contractual terms regarding payment, ensuring that all fund disbursements are compliant and stable. We are committed to fostering fair and equitable trading relationships with SMEs. We continuously work to enhance the transparency of our payment practices, safeguard the legitimate rights and interests of SMEs in accordance with the law, and optimize supply chain management. These efforts contribute to the improvement of the overall business environment.

In 2024, we experienced no instances of overdue payments to SMEs.

Product and Service Safety and Quality

We strictly comply with national laws and regulations such as the "Product Quality Law of the People's Republic of China," the "Consumer Rights Protection Law of the People's Republic of China," and the "Advertising Law of the People's Republic of China." In all our business operations, we prioritize customer needs and are committed to delivering efficient and professional services to ensure that each customer receives timely and accurate responses.

In digital intelligence technology segment

We provide integrated services covering project planning, technology development, project implementation, and operations and maintenance. To ensure the quality and safety of procurement and construction activities, we have established a Technology and Quality Committee, which oversees two specialized task forces: the Software Quality Execution Group and the Engineering Quality Execution Group. During project implementation, we adopt a project responsibility system and conduct regular audits on construction progress. We strictly follow national regulations by preparing implementation plans in advance and correcting deviations in real time to ensure projects are completed on time with high quality and safety standards. In 2024, we recorded no major liability incidents related to product or service safety and quality, nor were there any product recalls.

ISO 9001:2015 Quality Management System Certification of Shandong Xindeco IoT

We have established a multi-departmental complaint handling mechanism to ensure that customer feedback is promptly received, reasonably addressed, and effectively resolved.

Shandong Xindeco IoT, customer complaints are handled jointly by the General Administration Department, the Operations Compliance Department, and the System Integration Department. Upon receiving a complaint, the project manager from the System Integration Department is responsible for verifying the issue. If it involves product quality, the Operations Compliance Department coordinates with the supplier for resolution; if it relates to construction quality, the System Integration Department takes charge of follow-up actions. In 2024, we received no customer complaints and successfully achieved our annual service quality goal of 100% customer satisfaction.

Xindeco ‹ 2024 Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

In electronics technology business segment

We regularly conduct customer satisfaction surveys to gain deep insights into customer needs and continuously improve our service quality and product performance. We collect customer feedback through structured questionnaires, covering key areas such as product quality, after-sales service, on-time delivery, complaint handling, and return processing. Based on the results of these surveys, we promptly develop and implement improvement measures to enhance the overall customer experience.

In automobile dealership business segment

We uphold the philosophy of "leading a high-quality automobile lifestyle" and are committed to delivering a service experience that exceeds expectations for every vehicle buyer. We have established a comprehensive customer service process that includes professional car-buying consultation, personalized vehicle configuration recommendations, transparent pricing policies, efficient financial service solutions, and full-scale after-sales support with regular maintenance plans.

We set monthly performance targets for customer follow-up, and our after-sales teams conduct regular telephone follow-ups to track service quality and proactively address customer concerns. In addition, we conduct customer satisfaction surveys to assess our performance across six key service touchpoints: appointment booking, reception and pre-check, waiting experience, settlement and vehicle handover, service quality, and claims and damage assessment. Based on survey results, we promptly adjust our service strategies and processes to ensure we meet evolving customer expectations and needs.

质量管理体系认证证书

ISO 9001:2015 Quality Management System Certification of Xindeco Optoelectronics

Highlight

In 2024, Xindeco ITG Automobile Group, in partnership with PICC Property and Casualty Insurance, jointly established a New Energy Vehicle (NEV) Customer Service Center to offer end-to-end services for NEV owners. The service center is equipped with diagnostic tools and technical personnel to support damage assessment, claims processing, body and paintwork, routine maintenance, insurance renewal, test-drive group purchases, vehicle trade-ins, battery charging diagnostics, and repairs to electric powertrain components. The center also hosts NEV experience events and customer engagement activities. By collaborating with NEV manufacturers and insurance companies, we aim to develop the NEV aftermarket, enhance repair and service capabilities in the Xiamen area, and provide comprehensive maintenance and support services for NEV customers.

Data Security and Customer Privacy

We strictly comply with the "Cybersecurity Law of the People's Republic of China," the "Data Security Law of the People's Republic of China," the "Personal Information Protection Law of the People's Republic of China," and other relevant regulations. We continuously strengthen our information security management system, enhance our security capabilities, and build a robust digital defense framework to effectively safeguard company data and protect customer privacy.

Information Security Management

We have established a clearly defined and well-structured information security management framework. Internally, we have formulated and continuously improved policies such as the "Technical Management System for Information Security" and the "Personnel Management System for Information Security." These policies provide clear guidelines on information governance, account management, cybersecurity monitoring, data center management, incident reporting, and employee awareness and training. We also incorporate information security performance metrics into the performance evaluation system of relevant personnel, helping to standardize and strengthen security management practices while improving our overall security posture. These measures ensure the secure and stable operation of our information systems and provide strong protection for data assets. In 2024, we reported no information security incidents.

Information Security Management Structure

Network and Information Security Work Leading Group

- Chairman serves as the group leader, with key leaders from each segment and the leaders responsible for network security serving as members of the group.
- Responsible for organizing and leading the construction of company's network and information security, coordinating and solving major issues related to the company's networkand information security.

Network and Information Security Office

- As an office set up under the leading group, it isresponsible for the specific affairs of the leading group.
- Organize quarterly network and information security meetings to review the key achievements of the quarter, and to study and develop the work plan for the next quarter.

Digital Management Department

- Responsible for the management, maintenance, and construction of the company's network and information security and information systems.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • **Society**

In 2024, we continued to implement the working mechanism of our Cybersecurity Leadership Team, integrating the planning, deployment, and risk assessment of cybersecurity tasks into our core management priorities. We regularly held dedicated cybersecurity meetings to clarify key goals and assign cybersecurity responsibilities. We also formulated the "2024 Cybersecurity Accountability Assessment Plan for Xiamen Xindeco's Invested Enterprises," which outlines the annual cybersecurity objectives and key performance indicators for each subsidiary. These include defining the responsible departments and duties for cybersecurity information reporting, implementing cybersecurity protection measures, organizing or participating in emergency response drills, carrying out cybersecurity monitoring, early warning, and reporting, and conducting cybersecurity education and training. We evaluate each invested enterprise through a combination of self-assessment verification, on-site inspections, and coordinated assessments conducted by functional departments. These evaluations are integrated with special audits and ongoing supervision, forming a comprehensive performance review system. Through this approach, we have established a top-down, tiered implementation mechanism for cybersecurity governance, where responsibility is enforced at each level. The assessment results are directly linked to the performance evaluations and compensation of responsible personnel and employees.

Information Security Risk Management

We continuously improve our information security risk management mechanism, strengthening risk control through a comprehensive approach that covers pre-incident, in-process, and post-incident phases. We identify, monitor, prevent, and respond to information security risks and incidents to minimize their occurrence and reduce potential negative impacts on our business operations.

We have developed a proactive and layered cybersecurity defense system that integrates a variety of network security devices and software technologies. Coupled with optimized security operations, this enables accurate situational awareness and ensures the safe and stable operation of our systems. In 2024, we focused on enhancing key areas such as threat monitoring, email security, and major operational safeguards to strengthen our cybersecurity defenses:

- At the Xiang'an Industrial Park Data Center, we deployed network probes to collect and analyze real-time traffic across the park. This allowed us to accurately detect and issue early warnings for abnormal traffic behavior, malicious activities, and cyberattacks, enabling rapid response and closed-loop risk mitigation.
- We enhanced our email security system by launching an email security gateway. This enabled comprehensive filtering and auditing of inbound and outbound email traffic, significantly improving our interception rate for phishing and spam emails.
- We implemented a major security operations model, continuously optimizing the construction of our cybersecurity operations center. Over the year, we analyzed 1.5 million logs related to external website attacks. We provided 24/7 security monitoring and defense during critical time periods and successfully delivered cybersecurity protection for several major events and holiday periods, ensuring secure and stable network operations.

Information Security Inspections

In 2024
Successfully remediated

27

high- and medium-risk vulnerabilities

Conducted specialized cybersecurity inspections

3 times

Information Security Emergency Response

We regularly conduct cybersecurity inspections on endpoints, servers, and network equipment to identify potential information security vulnerabilities. Timely corrective and preventive measures are taken to mitigate threats posed by these vulnerabilities to our network systems.

In 2024, we leveraged professional security tools to carry out bi-monthly web vulnerability scans and quarterly host security scans. These efforts enabled us to detect and fix security vulnerabilities promptly. Over the course of the year, we successfully remediated 27 high- and medium-risk vulnerabilities, significantly reducing the likelihood of security incidents caused by system weaknesses. We also conducted three specialized cybersecurity inspections, focusing on key areas such as the IoT Data Center and automotive 4S dealerships. A total of 11 risks were identified and rectified, ensuring that our information security measures were effectively implemented and enforced.

We have formulated the "Emergency Response Plan for Network and Information Systems" and established a comprehensive emergency response mechanism for information security incidents, along with a cross-departmental coordination system. This enables us to respond to security incidents in a timely and effective manner, helping to prevent or mitigate potential damage and losses.

- We conduct routine monitoring of networks and information systems to ensure timely threat detection and early warning. Significant monitoring findings or any identified information security incidents are promptly reported to the Cybersecurity Leadership Team.
- Upon detection of a security incident, we immediately organize an investigation to identify the root cause, determine the severity level, and activate the corresponding emergency response plan. Control measures are then implemented to contain the situation and eliminate risks.
- After the emergency response concludes, we form an incident investigation team to conduct a thorough analysis and summary. Based on the findings, we refine our emergency response plans and address any underlying vulnerabilities.
- We regularly conduct emergency drills to test and improve the effectiveness of our response procedures, enhancing our overall incident response capabilities.

In 2024, we organized two red team testing exercises and participated in multiple rounds of live cyberattack and defense drills. These activities helped us assess our security defense capabilities, strengthen team coordination and technical skills, and further improve our ability to respond to information security incidents.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society
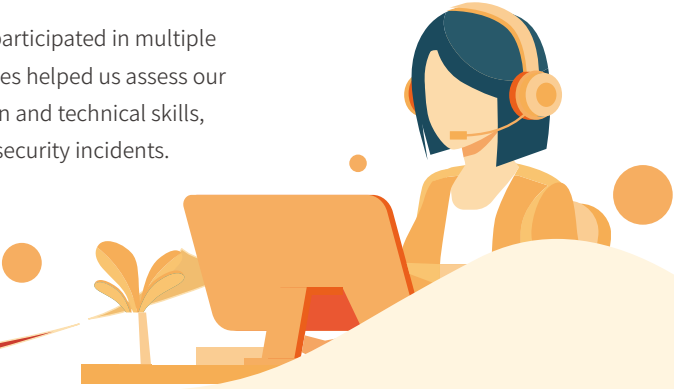
Information Security Education and Training

We continuously enrich our training formats and communication platforms to promote the normalization of information security awareness across the organization. These efforts aim to strengthen every employee's sense of responsibility and participation in cybersecurity, while enhancing their ability to prevent potential threats.

In 2024, we organized activities in alignment with National Cybersecurity Awareness Week and held three specialized cybersecurity training sessions for all employees, namely "Practical Techniques and Experience Sharing in Cyber Offense and Defense," "Strengthening the Information Security Barrier—Cybersecurity and Confidentiality Awareness for Employees," and "Enhancing Cybersecurity Awareness and Fortifying the Company's Security Foundation." The sessions were attended by more than 70 participants in total, helping to spread cybersecurity knowledge and improve employees' awareness and risk prevention capabilities.

Strengthening the Information Security Firewall – Employee Training on Cybersecurity and Confidentiality Awareness

Customer Privacy

We continue to strengthen our customer privacy protection practices and have implemented a range of measures to strictly manage the collection, use, and storage of customer information, ensuring its security. In 2024, we recorded no incidents of customer data breaches.

In digital intelligence technology segment

We safeguard customer privacy through multiple measures, including data encryption, strict identity authentication and access control, regular data backup and recovery, encrypted communication to ensure secure data transmission, confidentiality agreements with relevant parties, and enhanced security of our networks and devices. These efforts ensure that customer information is not leaked or misused.

In automobile dealership business segment

We have issued the "Cybersecurity Management Regulations" and the "WeCom Operation Management Guidelines (Trial)" to protect customer privacy and information security. All dealerships are prohibited from copying or misusing customer personal information without authorization. Employees are strictly forbidden from retrieving or viewing any customer data that is unrelated to the current service being provided, ensuring strict privacy protection. Additionally, when conducting customer satisfaction surveys or follow-up calls, we pay special attention to customer feedback regarding personal data security, allowing us to identify and resolve potential information leakage risks in a timely manner. We also conduct regular system screenings to detect any unauthorized logins, data usage, or leaks, thereby ensuring the comprehensive security and privacy of customer information.

Contributing to Industry Development

We are deeply engaged in our four core business segments of digital intelligence technology, electronics technology, supply chain, and automobile dealership. We actively participate in industry innovation and collaboration, and contribute to the advancement of the sector by sharing knowledge and technologies across platforms. Through these efforts, we continue to deliver the strength and value of Xiamen Xindeco to the broader industry landscape.

Industry Engagement of the Company and Subsidiaries in 2024

Xindeco	Xiamen Import & Export Chamber of Commerce	Vice President
	Xiamen Modern Supply Chain Federation	Vice President
	Xiamen Chamber of International Commerce	Vice President
Xindeco ITG Automobile Group	China Automobile Dealers Association	Vice President
	Xiamen Automobile Dealers Association	Permanent Vice President
Xiamen Xindeco IoT	RAIN RFID Alliance	Members of the Association and Asian Working Group
	Fujian Provincial Information Industry Association	Vice President
	Xiamen IoT Industry Association	Permanent Vice President
	Xiamen Intellectual Property Association	Member
	IoT Application Branch of China Information Industry Trade of Association	Director
	Xiamen Hi-tech Development Association	Member
	Xiamen Science and Technology Service Association	Member
Xiamen Xindeco Optoelectronics	China Video Industry Association	Member
	National Lighting Appliance Standardization Technical Committee, Lighting Fundamentals Sub-Technical Committee	Committee Member
	Xiamen Technology Innovation Association	Director
	Xiamen High Tech Development Association	Member
	Xiamen Optoelectronic Semiconductor Industry Association	Member
	Fujian Optoelectronics Industry Association	Member
Shandong Xindeco IoT	Shandong Association for Public Security Technology and Protection	Member
	Shandong Software Industry Association	Member

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Highlight

From February to March 2024, we participated in the 2024 ISLE International Smart Display and Integrated System Exhibition. The event brought together more than 1,000 companies from nearly 100 countries and attracted over 200,000 visitors. During the exhibition, we showcased a variety of new products, including our full range of outdoor flip-chip LED displays, indoor XR series, and DCI series. Leveraging our technical strengths and innovation capabilities, we were honored with the Excellent Product Award.

Highlight

In May 2024, we participated in the 7th Asia-Pacific Smart Supply Chain and Logistics Innovation Expo (SSCL) held in Shanghai. Through on-site demonstrations and interactive sessions, we introduced our high-end RFID electronic tag product series designed for the warehousing and logistics sectors. These solutions were highlighted for their effectiveness in reducing manual errors and accelerating material flow. At the expo, we received the "SSCL Golden Chain Award – Best Logistics Innovation Award" for our smart logistics-related products.

**Received the
"SSCL Golden Chain Award – Best Logistics Innovation Award"
for our smart logistics-related products.**

Highlight

In August 2024, we participated in IOTE 2024, the 22nd International Internet of Things Exhibition held in Shenzhen. At the event, we presented our latest products and application technologies, earning the prestigious "IOTE Gold Award" for Innovative Products.

We showcased the application of RFID technology in areas such as smart retail and fixed asset management, and jointly exhibited the DRAGONVERSE MR RFID system with Retech IoT, demonstrating the integration of Mixed Reality (MR) technology in RFID devices.

Highlight

In March 2024, we were invited to participate in the 18th International Iron Ore Market Seminar. The seminar was co-hosted by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters and Shanghai Ganglian E-Commerce Holdings Co., Ltd. (Mysteel), with support from Shandong Port Group Qingdao Port Co., Ltd. and Sinotrans Central China Co., Ltd. Centered on the theme "Promoting Cooperation, Driving Development," the event brought together representatives from iron ore producers and traders, steel manufacturers, and financial institutions to discuss the current state and future outlook of the ferrous metals market.

At the seminar, we were named one of the "Top 20 Global Iron Ore Suppliers" under the "Black Gold Cup" honor. This marks the eighth consecutive year we have received this distinction.

**Were named one of the
"Top 20 Global Iron Ore Suppliers"
under the "Black Gold Cup" honor**

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • **Society**

Highlight 📖

In May 2024, we were invited to participate in the "2024 (3rd) Mysteel Overseas Steel Development Conference," organized by Shanghai Ganglian E-Commerce Holdings Co., Ltd. The event focused on topics such as overseas capacity deployment, mineral resource development, global steel demand, and international trade trends. It brought together representatives from domestic and international steel producers, overseas investment enterprises, and Chinese-funded overseas manufacturing companies to discuss the future of China's steel industry abroad.

At the conference, we were once again recognized for our business practices in the steel supply chain and received the "Outstanding Steel Export Trading Enterprise in China" award for the second consecutive year.

Received the "Outstanding Steel Export Trading Enterprise in China" award for the second consecutive year

Highlight 📖

In February 2024, the "2024 Xiamen Trusted Automobile Dealership" selection event was launched, aimed at promoting integrity in business operations and enhancing service standards across the industry. Following a joint review by representatives from Xiamen's leading automotive media outlets, 10 dealerships were selected for the honor. At the award ceremony, our automobile dealership business was recognized as a "2024 Xiamen Trusted Automobile Dealership." This marks the 18th consecutive year we have received this title.

Recognized as a "2024 Xiamen Trusted Automobile Dealership."

Highlight 📖

In May 2024, the "2024 China Automotive Dealer Conference and Top 100 Rankings Release" was held in Ningbo, Zhejiang, under the theme "Expanding New Paths, Enhancing Quality and Efficiency." During the conference, the "2024 Top 100 Automotive Dealer Groups in China" list was officially released. We were once again included in the rankings, securing the 46th position this year—up three spots from the previous year.

In addition, one of our service assurance cases was selected as an "Outstanding Marketing Innovation Case" in the same ranking series. Thanks to our ongoing efforts in the new energy vehicle sector, we also ranked 59th on the "2024 Top 100 New Energy Automotive Dealer Groups in China" sub-list.

"2024 Top 100 Automotive Dealer Groups in China" Ranked 46th

Selected as an "Outstanding Marketing Innovation Case"

"2024 Top 100 New Energy Automotive Dealer Groups in China" Ranked 59th

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

In June 2024, the "2024 China Automotive Circulation Industry Conference and Auto Export Summit," guided by the All-China Federation of Industry and Commerce and hosted by the Auto Dealers Chamber of Commerce, was held in Zhengzhou, Henan. Themed "New Vehicles, New Patterns, New Dealerships," the conference brought together industry leaders to exchange views on current trends in automotive development.

For our practices in the area of social responsibility, we were honored as one of the "Top 100 Enterprises in Social Responsibility in China's Automotive Circulation Industry 2024" and were also listed as a "2024 Trusted Commitment Enterprise in China's Automobile Dealership Service Industry."

Were honored as one of the "Top 100 Enterprises in Social Responsibility in China's Automotive Circulation Industry 2024"

listed as a "2024 Trusted Commitment Enterprise in China's Automobile Dealership Service Industry."

Highlight

In November 2024, the "2024 China Automotive Circulation Industry Annual Conference and Expo" was held in Suzhou under the theme "Navigating Challenges, Seeking Change, Opening a New Chapter." The event gathered industry elites, authoritative experts, and leading enterprises to analyze opportunities and challenges in the current market environment and explore future development strategies. The conference also showcased outstanding enterprises with long-standing commitments to public welfare.

At the event, we were honored with the "Together with Love and Responsibility" award by the industry association in recognition of our long-term dedication to fulfilling social responsibilities. Our efforts in poverty alleviation, disaster relief, environmental protection, and public safety awareness have yielded meaningful results and contributed to the broader public good.

Employees

We regard talent as the primary driving force for sustainable development. We continuously optimize our human resources management, respect and protect the occupational health and legal rights of all employees, and are committed to providing competitive compensation and benefits, as well as comprehensive education and training systems. We strive to offer a safe, healthy, diverse, and inclusive working environment, create broad development opportunities for our employees, and work hand-in-hand to co-create and share the long-term value of sustainable development.
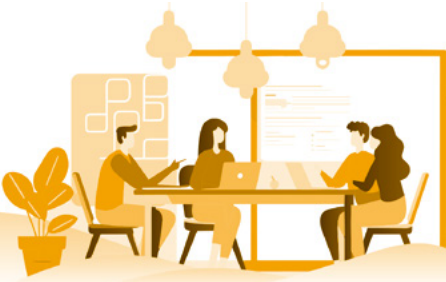
Equal Employment

We place great emphasis on the sustainable development and cultivation of talent and continuously improve our employment mechanisms. We actively promote localized employment and recruit outstanding professionals from society based on merit, providing a strong talent foundation for our high-quality development. We adhere to the principle of equal employment throughout the recruitment process, in strict compliance with the "Labor Law of the People's Republic of China," the "Labor Contract Law of the People's Republic of China," the "Law on the Protection of Women's Rights and Interests," the "Regulations on the Employment of Persons with Disabilities," and other relevant laws and regulations. We ensure that all candidates are given equal employment opportunities based on their qualifications and job requirements.

We have formulated the "Employee Recruitment Management Measures," under which recruitment is jointly managed by the Human Resources Department and the hiring department. The hiring department proposes recruitment requests based on job needs, defines job responsibilities and qualification criteria, and participates in resume screening, interviews, and onboarding guidance. The Human Resources Department reviews recruitment requests according to company strategy and staffing plans, develops recruitment plans, publishes job postings, organizes interviews, verifies qualifications, conducts background checks,

Xindeco IoT Malaysia Team

issues offer letters, and handles onboarding procedures.

To ensure that the recruitment process is standardized, fair, and transparent, we have established a layered approval and information reporting mechanism. Key recruitment steps must be reviewed by senior management. Internally referred candidates must be reported in advance and can only be hired upon approval.

In 2024, under the "Talent-Driven Enterprise" strategy, we recruited talents across various functions, including business management, R&D, and risk management, through market-based approaches. Recruitment channels included campus recruitment, overseas recruitment, and social recruitment.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • **Society**

In 2024, we were recognized with several employer brand honors, including the "Top 100 Happy Enterprises - Top 30 for Shared Development," the "2024 Outstanding Social Enterprise Award," the "6th Yuntu Award for Excellence in Digital Innovation Practice," and the "ISPI Performance Excellence Award."

We received no penalties in 2024 for violations of labor laws or employment discrimination.

Human Rights Protection

We are committed to protecting human rights and strictly comply with all applicable laws and regulations. We respect internationally recognized human rights standards and guidelines, including the "International Bill of Human Rights," the "United Nations Guiding Principles on Business and Human Rights," the "Universal Declaration of Human Rights," and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work." We strive to provide all employees with a fair, inclusive, and harmonious working environment.

In our business operations, we pay close attention to identifying and assessing potential human rights risks. We conduct regular internal reviews in areas such as recruitment and employment practices and daily operations to evaluate possible human rights impacts and identify areas of potential risk. These efforts help ensure that our business practices are fully aligned with legal requirements and our broader social responsibilities.

Anti-Discrimination and Anti-Harassment

We have established internal management policies such as the "Labor and Personnel Management Regulations," which clearly outline our requirements regarding anti-discrimination and anti-harassment. We are committed to ensuring that all employees have equal opportunities in recruitment, compensation, and promotion, and are protected from any form of discrimination based on gender, age, race, skin color, nationality, ethnicity, place of origin, or other personal characteristics. We actively promote gender equality and care for female employees and persons with disabilities, working to create a diverse and inclusive workplace. We strictly prohibit child labor, forced labor, and any form of sexual harassment. To strengthen human rights awareness across the organization, we also organize regular training and educational activities to ensure that employees understand and comply with our human rights protection policies, fostering a healthy and safe work environment.

As of December 31, 2024, we had a total of 3,998 employees. The employee structure is as follows:

Employee Gender Distribution

38%
62%

■ Male   ■ Female
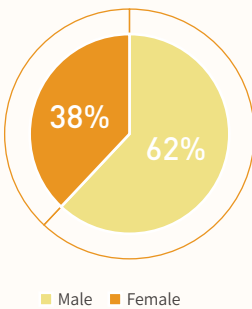
Employee Age Distribution

3%
29%
68%

■ 30 Below   ■ 30-50   ■ 50 Above
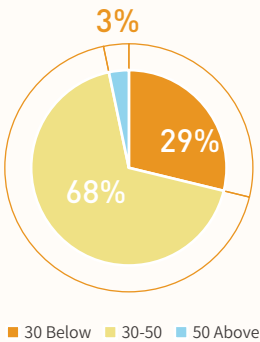
Management Gender Distribution

31%
69%

■ Male   ■ Female
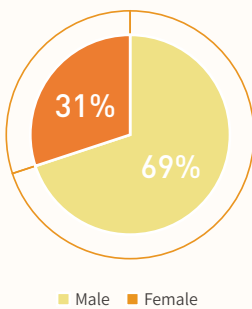
○ Definition of Management Levels: This includes senior management positions (such as roles up to two levels below the CEO), middle management (such as heads of departments or business units in areas like finance, marketing, or operations, or project managers in a flat organizational structure), and junior management (including frontline supervisors, entry-level managers, and the lowest tier of managerial roles).

Care and Wellness Seminar for Female Employees in Celebration of International Women's Day

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

Highlight

In 2024, our supply chain business segment organized a thematic training session titled "Human Resources Policy Awareness Conference," focusing on core topics such as equal employment, compensation and performance, and career development. The session aimed to provide employees with a comprehensive understanding of our human resource policies, while helping departments prevent and mitigate potential human rights risks.

Employee Communication

We respect and protect employees' democratic rights, including freedom of association and collective bargaining as granted by law. We closely integrate the establishment and improvement of democratic management systems with daily management practices and corporate culture building, upholding the principle of aligning enterprise development with the protection of employee rights and interests. We have established multi-dimensional employee communication channels and actively promote democratic consultation and dialogue. Through platforms such as employee representative congresses and trade union representative meetings, we extensively collect feedback and suggestions from employees. On matters directly related to employees' interests—such as compensation, performance, benefits, career development, and labor and personnel management—we engage in equal negotiation and have signed various collective agreements, including the "Collective Labor Contract," the "Collective Wage Agreement," and the "Special Protection Agreement for Female Employees," to fully safeguard employee rights. We encourage employee representatives to participate in corporate governance and organize democratic elections, decision-making, management, and supervision in accordance with the law. This ensures that employees' rights to information, participation, expression, and oversight are fully protected. In addition, we facilitate communication through various employee forums such as onboarding roundtables for new employees, team leader discussion sessions, "Executive Face-to-Face" meetings, and forums for outstanding young talents.

In 2024, we held six employee representative congresses to discuss topics related to personnel and compensation management. We further improved the transparency of trade union affairs by implementing disclosure mechanisms. Major business decisions related to corporate operations, personnel management, compensation, and procurement were openly communicated through the OA system, email, employee assemblies, and bulletin boards. These efforts have significantly enhanced management transparency and ensured that employee voices are heard and valued.

Highlight

In 2024, we held the graduation ceremony of the fourth session of the Xindeco Motivation Program, along with a roundtable discussion for outstanding young cadres. The event was attended by company leadership, representatives of mid-level managers from headquarters, alumni of previous sessions, and current program participants.

Launched in 2020, the Xindeco Motivation Program has been held for four consecutive years and has become a key initiative for strengthening our leadership development, building a strong team of high-performing managers, and enhancing organizational capabilities. The event focused on topics such as leadership development, talent selection, and organizational capacity building. During the session, past outstanding participants shared their career growth experiences, while current trainees reflected on their learning journey and discussed ways to further improve their work performance.

Highlight

In 2024, we organized the Xindeco Motivation Program "Executive Face-to-Face" dialogue session. During the meeting, company executives engaged in open discussions with young cadres on topics including corporate development, talent cultivation, and business management. Young representatives shared their professional insights and suggestions based on their work experiences, while company leaders provided direct responses and guidance.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Employee Development

We remain committed to our "Talent-Driven Enterprise" strategy and focus on the full talent lifecycle—from recruitment and development to deployment and retention—by continuously improving our employee career development system. We have comprehensively reviewed and revised relevant policies such as the "Employee Career Development Management Regulations" and the "Internal Trainer Management Guidelines" to establish a scientific and systematic training and development mechanism that supports employee growth.

In terms of promotion management, we uphold a performance-oriented and results-driven approach. Based on both job requirements and individual employee development, we implement various promotion mechanisms including file adjustment, grade advancement, competitive selection, and exceptional promotions. These are supported by evaluation criteria and approval processes to ensure fair and transparent advancement, while enhancing organizational vitality and strengthening our talent pipeline.

We are advancing the reform of our market-oriented talent management mechanisms. In appointing middle-level managerial personnel, we have eliminated institutional barriers by launching open recruitment initiatives across both internal and external talent pools. To strengthen our leadership team, we have introduced high-caliber professionals through headhunter referrals, public recruitment platforms, and our internal talent network.

Employee Training

We continue to enhance our employee training and development system. In accordance with the "Training Management Guidelines," we have implemented a three-tier training structure consisting of Xindeco training programs, business segment-specific training, and subsidiary-level professional skills training. Tailored to employees' job levels and individual development needs, these initiatives are designed to help employees realize their potential and enhance their professional competencies.

In 2024, guided by the principle of "steady progress and business empowerment," we focused on building a high-quality, application-oriented talent development system. Based on cultural alignment, organizational capacity building, and action learning, we developed the "435 Xindeco Star Series" comprehensive talent development framework. This framework covers five modules: organizational capability enhancement, leadership development, key talent development, specialized talent programs, and overall competency building. Throughout the year, we conducted a total of 233 training sessions, delivering 63,329 hours of training and achieving 100% employee coverage.

Training sessions conducted

233 in total

Training Delivered

63,329 hours

Employee coverage achieved

100 %

厦门信达2024年人才培养全景图

Xindeco Gravitas Program

Xindeco Promotion Program

Star Spark Program + Master Class + Culture Class

Star Global Program

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Highlight 📖 **Xindeco Promotion Program**

In 2024, we focused on developing key employees and launched the third session of the Xindeco Promotion Program to enhance the overall quality and professional skills of our core workforce. The program followed a three-pronged structure—learning track, action track, and operations track—designed to strengthen four core competencies: goal orientation, execution capability, problem-solving ability, and communication skills. It incorporated a variety of development formats including roundtable dialogues, group reading and reflection on The 7 Habits of Highly Effective People, and action learning. The program was honored with the "2024 6th Yuntu Award for Digital Empowerment and Innovation Practice" by Yunxuetang.

Highlight 📖 **Star Talent Program**

The Star Talent Program targets our HR professionals, aiming to strengthen their capabilities in organizational effectiveness and business enablement. In 2024, we launched the fifth session of the program featuring the course "Talent Review Workshop." After the course, HR teams at various levels selected critical positions to carry out talent reviews, assessing both the quantity and quality of internal talent to better support business strategy and execution.

Highlight 📖 **Star Excellence Program**

The Star Excellence Program focuses on talent development in key areas such as digitalization, business operations, marketing, and R&D. In 2024, we launched the program's first course, titled "Digital Transformation Practice Sharing." The course explored the strategic value of digital transformation and its impact on enterprise management models, operational frameworks, and business models. Drawing from corporate case studies, the course also examined practical pathways and strategies for implementing digital transformation.

Highlight 📖 **Star Global Program**

The Star Global Program is designed to support the selection, development, deployment, and retention of international talent, with the aim of strengthening the professional capabilities of our overseas teams and supporting the company's globalization strategy. In 2024, we organized a course titled "Talent First in Global Expansion," which analyzed the differences in recruitment culture and employment policies between China and Southeast Asian countries. The course also addressed key issues in talent management for Chinese companies expanding abroad. Focusing on topics such as local labor compliance, cultural differences, and talent profiling, the course integrated case studies from globalizing enterprises and introduced strategies for recruitment and human resource management. It provided participants with practical insights into talent strategies for international business development.

Industry-University Collaboration

We have long been committed to exploring industry-university collaboration models. Guided by the principles of resource sharing, complementary strengths, and mutual development, we actively engage with higher education institutions to build joint training and internship platforms. These partnerships help us establish a strong pipeline for talent reserves and provide solid support for the development of our talent strategy.

Conducted a Visit to Xiamen University Malaysia Campus

Collaborated with the Education and Training Center of Xiamen Institute of Technology to Launch a Specialized Business English Training Program

Xindeco ‹ 2024 Sustainability Report

Rural Revitalization and Social Contributions ● Innovation-driven Development ● Suppliers and Customers ● Employees ● Society

Employee Compensation and Benefits

We have developed and continuously improved a series of compensation and benefits policies, including the "Compensation Management Regulations," "Employee Benefits Management Guidelines," "Performance Management Policy," "Enterprise Annuity Master Plan," and "Expatriate Employee Management Guidelines." These systems support a performance-driven compensation distribution mechanism, enabling us to offer competitive compensation and benefits to our employees.

Performance-based Compensation

We have established a comprehensive incentive system based on base salary, supplemented by performance bonuses and welfare allowances. Compensation structures are designed to meet business needs according to job responsibilities, nature of work, and value creation models. Our position system is categorized into three tracks: management, professional, and operational. Each track has clearly defined rank standards and evaluation methods, adhering to the principles of alignment, balance, progressive promotion, and dynamic adjustment. This ensures that our compensation management is both scientific and flexible. We implement monthly, semi-annual, and annual performance evaluations covering all employees. Evaluation criteria are tailored to the nature of each job category and consider factors such as educational background, management experience, professional skills, job title, and length of service. Employees are required to report on the achievement of performance indicators at the mid-year and year-end review stages. After each evaluation cycle, direct supervisors conduct performance review meetings and complete the "Performance Communication Form" to ensure effective feedback and facilitate improvement.

To strengthen compensation and performance management, we have implemented the "Accountability Management System for Irregular Business and Investment Conduct," incorporating ethical compliance requirements into our performance framework. Through regular performance communication mechanisms, we ensure that employee compensation aligns with both company-wide performance and individual contributions. This enables a balanced incentive and restraint system, driving continuous improvement in organizational effectiveness.

Employee Benefits

We ensure timely salary payments and uphold the principles of equal pay for equal work and minimum living wage standards. We strictly comply with legal requirements to contribute to social insurance and housing provident funds and have implemented an enterprise annuity system. In addition, we provide group accident insurance for all employees. On the foundation of a company-wide social insurance system, we offer a variety of caring benefits, such as 10 days of annual parental leave for eligible employees, statutory maternity and breastfeeding leave for female employees, and other supportive policies to create a warm and inclusive working environment. To further strengthen mutual aid among employees, we have introduced the "Xiamen Xindeco Employee Mutual Aid Center Management Guidelines" and established a dedicated "Mutual Aid Fund Pool." The fund is sourced from employee contributions, government and administrative subsidies, trade union support, and donations from various sectors of society. It is managed by the Employee Mutual Aid Center Committee of Xiamen Xindeco and is used specifically to carry out employee mutual support programs and provide assistance to families facing hardship.

Occupational Health and Safety

We strictly adhere to the principle of "safety first, prevention foremost, and comprehensive management" in our approach to workplace safety. We fully comply with the "Work Safety Law of the People's Republic of China," the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases," and all relevant occupational health and safety laws and regulations applicable in the regions where we operate. We continuously improve our internal occupational health and safety management systems and are fully committed to advancing the construction of a robust occupational health and safety management framework to safeguard the well-being of all employees. In key areas of our operations, both Xindeco IoT and Xindeco Optoelectronics—subsidiaries under our electronics business segment—have obtained ISO 45001 certification. We continue to promote standardized safety management practices across our subsidiaries, further strengthening the foundation of our work safety management and enhancing the scientific, standardized, and regulated approach to occupational health and safety.

2024 Occupational Health and Safety Management Metrics

Metrics	2024 Performance
100% signing rate of Work Safety Target Management Responsibility Statements	Achieved
100% implementation of performance-based rewards and penalties	Achieved
100% timely closure rate of accidents	Achieved
Full implementation of national and provincial work safety and fire protection directives	Achieved
Zero extremely serious or major accidents	Achieved
Zero fatality rate for general accidents	Achieved
Zero incidents with direct economic losses exceeding RMB 1 million	Achieved
A sound occupational health and disease prevention management system in place; no reported occupational illness cases	Achieved

Xindeco ‹ 2024 Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society
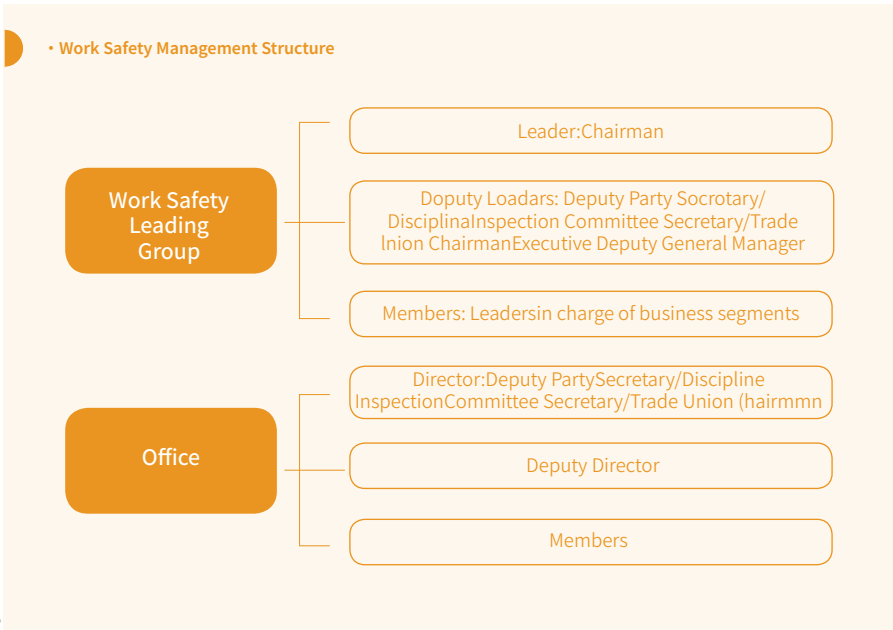
Workplace Safety Management

We have established a safety management system based on the principles of "unified leadership, clearly defined responsibilities, tiered management, category-specific guidance, and full employee participation." A Work Safety Leadership Team has been formed to coordinate our overall safety management efforts, under which a dedicated office has been set up and staffed with full-time or part-time safety officers responsible for daily safety operations. To further strengthen safety, environmental, and asset management, we established the Safety and Environmental Management Department in 2024. This department is responsible for managing workplace safety, asset protection, environmental compliance, and public communication and stability.

• **Work Safety Management Structure**

Work Safety Leading Group
- Leader: Chairman
- Doputy Loadars: Deputy Party Socrotary/DisciplinaInspection Committee Secretary/Trade Inion ChairmanExecutive Deputy General Manager
- Members: Leadersin charge of business segments

Office
- Director: Deputy PartySecretary/Discipline InspectionCommittee Secretary/Trade Union (hairmmn
- Deputy Director
- Members

Signed "Work Safety Target Management Responsibility Agreements"

409 in total

Signing rate achieved

100 %

We fully implement an all-employee responsibility system for workplace safety, with clearly defined safety responsibilities extending from senior executives to front-line workers. Safety performance targets are integrated into the annual performance evaluation systems of our business segments and subsidiaries, as well as those of relevant management personnel. Assessment results are used as key references in personnel selection, promotions, and rewards or disciplinary actions. Moreover, the performance-based compensation of management personnel is directly linked to the achievement of safety and environmental targets within their areas of responsibility. In 2024, we signed a total of 409 "Work Safety Target Management Responsibility Agreements" across all levels of the organization, achieving a 100% signing rate.

Safety Risk Prevention and Control

We uphold the safety management philosophy of "full employee participation, focused priorities, and tiered control," and have continuously refined our internal policies such as the "Safety Risk Identification, Evaluation, and Tiered Control Regulations" and the "Major Safety Risk Notification and Alert Guidelines." We have established a comprehensive safety risk management system to identify and strictly control potential safety hazards, harmful factors, and major sources of danger across our subsidiaries' production and operational activities, thereby enhancing our overall safety assurance capabilities.

Hazard Identification and Risk Assessment

In accordance with the "Classification and Code of Hazards in the Production Process" (GB/T 13861-2022) and the "Classification of Accidents Involving Enterprise Employees" (GB6441-86), we conduct systematic and comprehensive hazard identification that considers unsafe human behaviors, unsafe conditions of objects, adverse environmental factors, and managerial deficiencies. This process covers production systems, equipment and facilities, working environments, and operational activities. Through methods such as system analysis, hazard investigation, delineation of hazardous areas, analysis of enabling conditions and triggering factors, and evaluation of potential hazard severity, we identify types of hazards and assign appropriate safety risk levels. Based on this assessment, we develop targeted risk control measures.

The primary responsible person at each subsidiary is tasked with organizing and leading the risk assessment and classification work. We apply scientific methods such as the LEC Evaluation Method and the Risk Matrix Method to classify identified hazards into four levels: Major Risk, Significant Risk, Moderate Risk, and Low Risk—coded in red, orange, yellow, and blue respectively. A centralized safety risk database has been established, and a "Major Safety Risk List" has been compiled. We have also created four-color safety risk distribution maps that clearly display risk levels, current control measures, responsible personnel, and control capabilities. Each risk has a corresponding file under the "One Risk, One File" system, with documentation managed according to its risk level. For all on-site identified risks, we have defined corresponding emergency response procedures and measures. In the event that an uncontrollable risk is identified, we immediately halt operations in the affected area or shut down equipment, evacuate personnel from the danger zone, and implement corrective measures. After rectification, the risk is reassessed, and real-time monitoring is used to ensure continued safety.

Tiered Safety Risk Control

Based on the results of safety risk assessments, we classify safety risks by both type and severity into four hierarchical levels: "Subsidiary Level, Department Level, Team Level, and Individual Position Level." We ensure that risk control responsibilities are systematically broken down and assigned to all relevant positions, including management and frontline staff.

- For major and significant safety risks, the primary leaders of each subsidiary are required to oversee the implementation of control measures in accordance with the "Five Requirements" principle. When issues are identified, they are responsible for promptly initiating corrective actions.
- Work safety leaders of each subsidiary is responsible for organizing quarterly evaluations to assess the implementation and effectiveness of control measures related to major risks. These evaluations focus on identifying any gaps or blind spots in risk identification and control efforts. Based on the findings, we refine and improve our control strategies. The Tiered Safety Risk Control Office is responsible for conducting day-to-day inspections in alignment with each risk's specific control measures, and for setting priorities for the following quarter based on quarterly and ad-hoc safety risk assessment results.
- Each subsidiary conducts quarterly reviews of identified safety risks in their operations, implementing control measures across areas including policies, management, procedures, equipment, emergency response, accountability, and performance evaluation. In addition, each quarter, subsidiaries perform a focused inspection and analysis of key risk areas to ensure that control measures align with actual on-site conditions, enabling continuous improvement and optimization.

Furthermore, in areas identified as having major risks, we implement the following measures: installing safety risk bulletin boards and distributing workplace-specific safety risk notification cards that specify hazards, potential accidents, preventive or emergency response measures, and reporting hotlines. For high-risk locations and job positions, we display prominent warning signs or alarm devices and equip sites with appropriate emergency equipment and evacuation routes. These measures are aimed at enhancing risk detection and early warning systems and improving employees' ability to identify and respond to safety risks.

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Safety Hazard Inspection

We continue to advance our safety inspection and hazard identification efforts in strict alignment with internal policies such as the "Work Safety Management Measures" and the "Safety Hazard Investigation and Rectification Regulations." We place strong emphasis on the identification and management of potential hazards, assigning clear responsibility for the detection and resolution of all categories of safety risks. We also incorporate digital tools into our safety management practices to help prevent and reduce workplace accidents.

In 2024, we focused on key risk areas including manufacturing and trade, construction sites, fire safety, confined spaces, and new energy vehicles. We launched and coordinated a series of special campaigns such as the Winter-Spring Fire Safety Rectification Campaign, Fire Safety Rectification of Polyurethane Flammable Insulation and Sandwich Materials, Confined Space Operations Rectification, Crackdowns on Unauthorized Construction and Illegal Hot Work, and the "100-Day Life Channel Clearance Campaign." These initiatives significantly deepened our efforts in identifying and addressing potential hazards. Throughout the year, we identified and rectified a total of 397 general safety hazards, including 250 general fire safety issues, 41 hazardous chemical risks, 2 confined space operation risks, and 104 other types of hazards, achieving a 100% rectification rate.

General safety hazards identified and rectified

397 in total

Rectification rate achieved

100 %

In electronics technology segment

We place strong emphasis on safety inspections. In 2024, we conducted a total of 46 special safety inspections, including 20 pre-holiday inspections around Spring Festival, Qingming Festival, Dragon Boat Festival, Labor Day, and Mid-Autumn Festival; 11 comprehensive self-inspections; 6 targeted inspections for fire hazards in facilities; 3 special inspections focused on the rectification of major accident risks; and 6 inspections for typhoon and flood preparedness. A total of 82 general hazards were identified, including 58 fire-related risks, 5 hazardous chemical-related risks, and 19 other types of hazards—all of which were fully rectified.

In supply chain business segment

We organized self-inspection and rectification activities and implemented multiple measures to strengthen the foundation of safe operations. In warehouse management, we continued to optimize and improve our emergency management system and contingency response plans. We also increased the frequency and intensity of safety inspections during holidays and periods of natural disasters, with a focus on enhancing our overall safety performance and ensuring stable and orderly operations. In 2024, two general safety hazards were identified and fully rectified. For office safety management, we worked closely with property management teams to conduct regular fire safety checks, inspect fire door closure status, and strictly enforce fire prevention and anti-theft measures. Prior to holidays, we also reminded departments to secure doors and windows and disconnect power sources to ensure the safety of office premises. In terms of official vehicle safety management, we continuously strengthened driver awareness and education. We made reasonable arrangements for long-distance and nighttime driving tasks and strictly prohibited fatigued driving. We rigorously followed the "Official Vehicle Use Management Guidelines" and carried out regular comprehensive inspections and maintenance to ensure all vehicles remained in optimal condition. In 2024, no safety incidents occurred involving official vehicles, and all transport tasks were completed safely and reliably, providing strong logistical support for our business operations.

In automobile dealership business segment

Xindeco ITG Automobile Group conducts both regular and ad hoc comprehensive safety inspections. Special attention is given to safety checks around major holidays, including New Year's Day, Spring Festival, Labor Day, the flood season, and the Mid-Autumn and National Day holidays. These inspections are aimed at identifying and addressing safety hazards in a timely manner, thereby preventing major accidents and significantly reducing the occurrence of general incidents. In 2024, Xindeco ITG Automobile Group identified a total of 106 safety hazards, all of which were fully rectified, achieving a 100% rectification rate.

Safety Hazard Inspection

Xindeco ‹ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Digitalization of Safety Management

We are committed to advancing standardized and digitalized safety management, actively exploring the application of digital technologies to enhance safety practices. Leveraging the "Yijian" platform, we launched a pilot program for a digital safety management system. This initiative aims to build a safety management platform aligned with our business operations, enabling real-time monitoring, verification, and benchmarking. These digital capabilities have significantly improved the overall effectiveness and precision of our production safety management.

Emergency Management and Drills

To standardize emergency response procedures, we have developed and strictly adhere to a comprehensive set of emergency management policies, including the "Work Safety Accident Emergency Response Plan," "Emergency Response Plan for Sudden Environmental Incidents," "Chemical Spill Emergency Response Plan," "Fire Emergency Response Plan," "Flood and Typhoon Emergency Response Plan," "Earthquake Emergency Response Plan," "Warehouse Emergency Response Plan," and the "Acute Occupational Hazard Emergency Rescue Plan." We also organize regular emergency drills to enhance employees' response capabilities in crisis situations. In 2024, we proactively conducted 34 emergency drills, with a total of 884 participants throughout the year.

In 2024 conducted

34 emergency drills

with a total of

884 participants

When responding to various risks and disasters, we implement a tiered response mechanism:

- For work safety accidents, we follow a four-level emergency response strategy, categorized as Level I, II, III, and IV from highest to lowest. Upon the conclusion of rescue and recovery efforts, each business unit is required to review and summarize the lessons learned from the emergency response and submit an emergency response summary report with recommendations for future improvements.
- We have formulated the "Acute Occupational Hazard Emergency Rescue Plan" and established a comprehensive emergency response organizational structure. For occupational hazards such as noise and dust, incidents are classified into three levels (Level I, II, III) based on severity. We have defined specific response and handling procedures for each level to ensure swift and effective action during occupational hazard emergencies, thereby maximizing the protection of employees' health and safety.
- For natural disasters such as earthquakes, typhoons, heavy rainfall, and floods—typically driven by climate change—we classify events into four levels (Level I, II, III, IV) based on their impact and severity. We implement emergency support measures and coordinate rescue and recovery operations accordingly.

Emergency Drills

Safety Education and Training

We place great importance on raising employee awareness and competence in safety. Through a variety of formats such as seminars, on-site instruction, and online sharing, we provide comprehensive safety training to enhance employees' safety knowledge and skills, thereby laying a solid foundation for our safe production operations.

In 2024, we developed an annual safety education and training plan. The training covered national work safety guidelines, policies, laws, regulations, rules, and standards; safety management and technology; occupational health; emergency management; the formulation and implementation of emergency response plans; and analysis of typical accident cases and emergency rescue efforts. In conjunction with key national safety awareness events such as "Work Safety Month," "Disaster Prevention and Reduction Day," and "119 Fire Awareness Day," we organized a series of activities including expert lectures, safety knowledge competitions, fire safety training, safety culture promotions, and emergency drills. These efforts continuously strengthened employee awareness of safety responsibilities and improved their emergency response capabilities. Our non-ferrous and ferrous metals business divisions actively encouraged employee participation in municipal safety management training programs. As a result, 7 employees completed initial safety officer training and 12 employees passed safety officer recertification, injecting professional strength into our safety management team and further advancing the specialization and standardization of our safety operations.

In 2024, we conducted a total of 81 in-person safety training sessions with 3,710 attendees, totaling approximately 5,565 hours of training. In total, 1,854 employees participated in occupational health and safety training as well as emergency drills.

Conducted a total of

81 in-person safety training sessions

With

3,710 attendees

Training delivered approximately

5,565 hours in total

Safety Training

Xindeco ⟨ **2024** Sustainability Report

Rural Revitalization and Social Contributions • Innovation-driven Development • Suppliers and Customers • Employees • Society

Occupational Health Management

We care deeply about the balance between work and life for our employees. To promote well-being, we established a sports club and actively encourage staff to participate in various cultural and athletic activities such as basketball tournaments, badminton competitions, and public speaking contests. Our labor union provides employees with annual outdoor activity and travel passes, organizes regular health check-ups, and hosts wellness seminars to support both physical and mental health. During the summer heat season, our union also organizes "Cooling Comfort" campaigns to deliver care packages and refreshments to frontline employees, helping them stay safe and healthy in high-temperature working environments.

1 2 3 2024 Summer "Cooling Comfort" Campaign

7
8
9
2024 Basketball Match

4 5 6 2024 Badminton Match

03

GOVERNANCE

⊙ 2024 Management Targets for Governance Matters

- Continuously improve the sustainable development governance framework

---

- Establish a comprehensive risk management framework and enhance the risk control and compliance management system

---

- No conflicts of interest incidents occurred throughout the year.

- No incidents of money laundering or insider trading occurred throughout the year

---

- No lawsuits or administrative penalties occurred due to unfair competition practices throughout the year.

- 100% of employees received communication on anti-corruption and bribery policies

---

- 100% of employees participated in anti-corruption training during the year

---

- No incidents of tax violations occurred throughout the year.

- Regularly disclose the sustainability report annually

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS
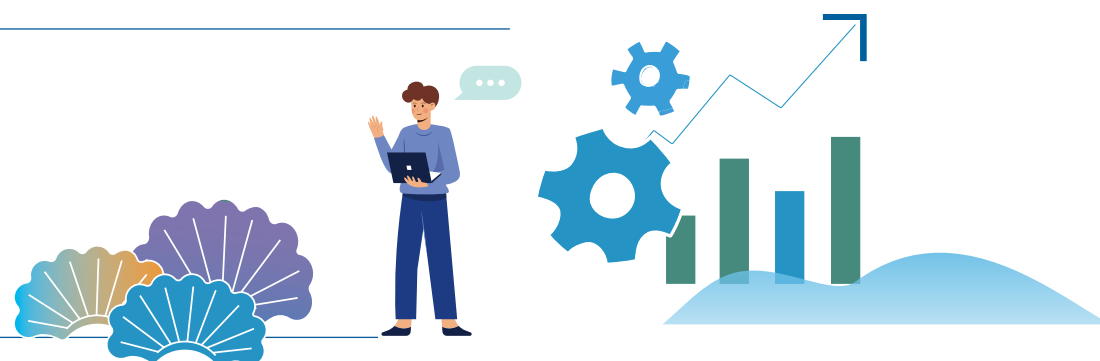
2024

Risk and Compliance Management

We base our approach on development strategies and business plans, continuously improving the risk management and internal control systems. We strengthen the integration of risk control, compliance, and business operations, enhancing the company's risk management capabilities to effectively prevent risks associated with business development, ensuring the company's stable and sustainable growth.

Risk Control and Management System

We have progressively established a top-down, clearly defined enterprise risk management framework. Led by our Board of Directors and General Manager's Office, this framework is supported by three lines of defense: our headquarters' functional departments and business segments, the Risk Management Working Group together with the Compliance & Risk Control Department, and the Internal Audit and Supervision Office. We closely integrate risk management with functional operations and business processes to ensure its effective implementation in our day-to-day operations.

Board of Directors

↓

Audit and Risk ControlCommittee

↓

General Manager'sExecutive Mleeting

↓

Risk Management working Group

| Business Segments | The departments responsiblefor the centralized management ofvarious risks | Risk Control and Compliance Department(Secretariat) | Internal Coutrel Audit Departmentand Supervisory Office |

The first line of defense* Implemnentingresponsi bility" ↔ **The second line of defense "Coordlinating responsibilties"** **The third line of defense"Independent supervision"**

Risk Management Organizational Framework

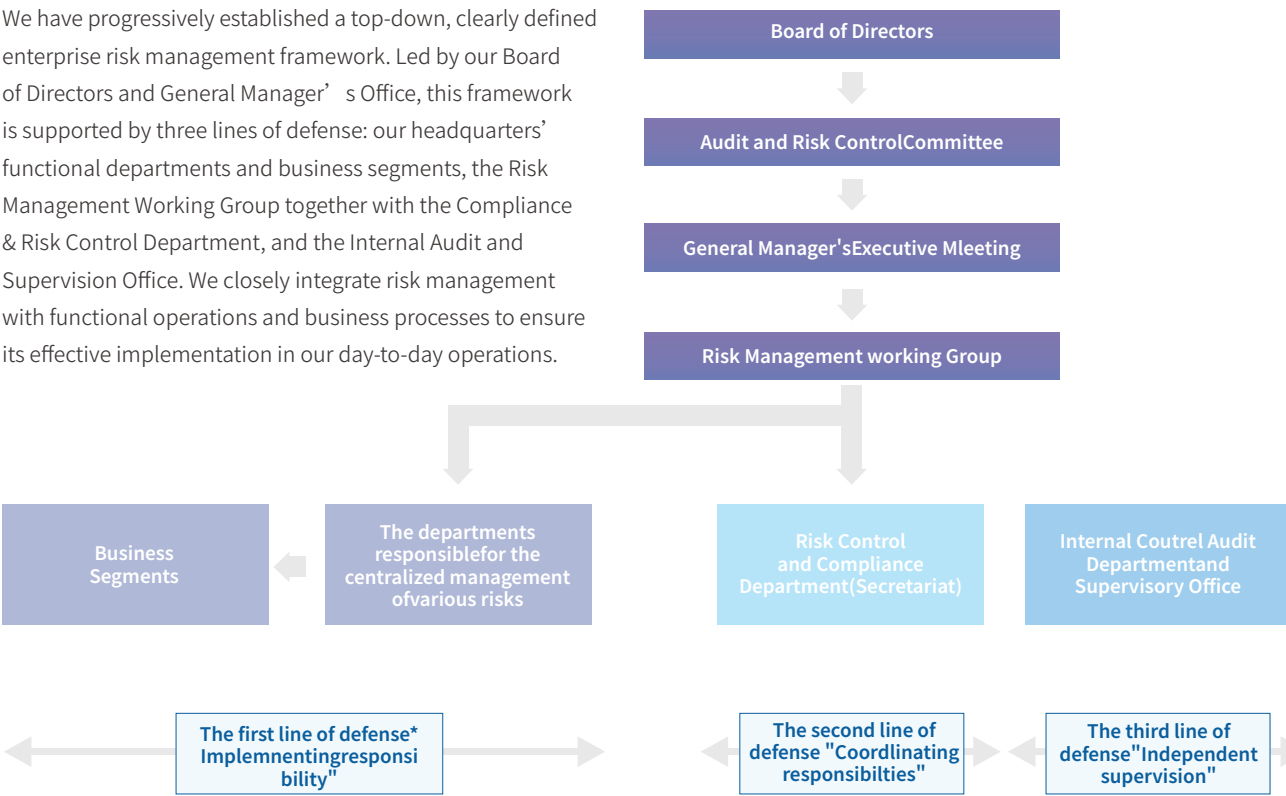| Board of Directors	1.Approves the company's fundamental systems, policies, and other major matters related to enterprise-wide risk management; 2.Establishes an Audit and Risk Control Committee to supervise and guide management in the implementation of risk management work.
General Manager's Executive Meeting	1.Organizes and implements risk management activities, including: approving risk management measures and risk appetite, and determining key areas of focus; 2.Reviews the risk register and monitoring plans, evaluates business segment performance, and coordinates resource allocation.
Risk Management Working Group (Under the General Manager's Executive Meeting)	1.Coordinates enterprise-wide risk management. The group leader is a senior executive, and members are appointed by the General Manager's Executive Meeting; 2.Drafts systems and policies, proposes risk appetite, organizes risk assessments, and supervises and evaluates the work of business segments.
Risk Control and Compliance Department (Secretariat)	Coordinates daily risk management tasks, leads the drafting and revision of policies, organizes risk identification, assessment, monitoring, inspection, and evaluation, and promotes a risk management culture.
Functional Departments	1.Bear the primary responsibility for risk management, implement policies, and carry out daily operations; 2.Responsible for identifying, assessing, formulating response strategies, and monitoring and reviewing risks within their respective scopes of responsibility.
Business Segments	Implement risk management policies, cooperate in risk information collection and reporting, and accept supervision, inspections, and evaluations.
Internal Control Audit Department and Supervisory Office (Supervisory Departments)	1.Conduct post-event supervision of risk management activities; 2.The Internal Control Audit Department conducts semi-annual inspections on key areas such as use of raised funds, guarantees, and related-party transactions, and regularly reports to the Audit and Risk Control Committee.

At the same time, we further improve and enhance the risk assessment mechanisms of each business segment, strengthen risk control across the segments, and reinforce the unified management of enterprise-wide risk control.

- In the supply chain segment, we have established a two-tier risk assessment meeting structure and developed the "Work Rules for Supply Chain Segment Risk Assessment Meetings." The first-tier risk assessment meeting for the supply chain segment is chaired by the company's chairman, with members including the company's general manager, CFO, vice general manager in charge of the Risk Control and Compliance Department, and vice general manager in charge of business segments. The second-tier meetings include the Risk Assessment Meetings for the Non-ferrous Metal Division and the Ferrous Metal Division. These are chaired by the respective vice general manager in charge of the business segment, with members including the segment's general manager, risk control officer, and financial officer.
- In the electronics technology segment, digital intelligence technology segment, and automobile dealership segment, we have established risk assessment meetings. The chairman of the company serves as the chief chairperson, with members including the company's general manager, CFO, vice general manager in charge of the Risk Control and Compliance Department, general manager of the Risk Control and Compliance Department, general manager of the Finance Department, general manager of the Legal Department, general manager of the Treasury Department, as well as the segment leaders/responsible persons and financial officers.
- The risk assessment meetings follow internal work guidelines and are held regularly or irregularly based on business needs, to review business projects within the scope of approval authority.
- The company's Internal Control Audit Department conducts an annual inspection of the compliance and execution of the projects reviewed by the risk assessment meetings, and submits a special report to the risk assessment meetings.

We continue to strengthen the development of risk management and internal control systems. In 2024, we developed the "Enterprise-Wide Risk Management System," "Risk Management Working Group Operational Management Measures," and "Negative Client List Management Implementation Rules." Additionally, we revised existing system documents such as the "Futures and Derivatives Investment Management System," "Material Trade Business Classification Control Requirements," "Management Measures for Responding to Emergency Business Risk Events," "Client Credit Evaluation Working Group Operational Rules," and "Supply Chain Business Credit Management Measures."

In addition, to effectively implement risk management responsibilities, we have established specific risk management indicators, covering areas such as compliance management, risk investigation and inspection supervision, risk control recommendations, and risk management in each business segment. These indicators are linked to the performance of the Risk Control and Compliance Department personnel. We have also developed other personalized assessment criteria for different positions, conducting regular comprehensive assessments. For any violations of risk management regulations, such as failure to promptly identify, warn, respond to, report, or conceal and omit significant operational investment risks, resulting in asset losses or other adverse consequences, the company will investigate and collect evidence according to the "Management System for Accountability of Violations in Business Investment." Depending on the severity of the situation, corresponding actions will be taken against the directly responsible individuals, supervisors, and leadership.

To further strengthen the unified management of risk control and enhance the overall risk control level of the company, in 2024, we will align with our strategic planning and business goals. We will focus on four key objectives: reshaping risk appetite, restructuring the risk control and compliance system, rebuilding a rapid response mechanism, and reengineering the compliance professional team. These efforts aim to promote the development of the risk control and compliance management system. We will continuously improve and optimize the risk management operating mechanism, addressing the weaknesses in the company's operational management.

Risk Identification and Assessment

We have established and improved the risk identification and assessment mechanism in line with our operational management and business realities. Our Risk Management Working Group organizes regular risk identification and assessment activities with various functional departments and business segments to determine the key risk register. In the event of significant changes in the macroeconomy, market environment, or corporate strategy that require adjustments to the key risk register, each business segment will conduct research and submit the proposed changes to our Risk Management Working Group, which will then adjust the key risk register accordingly.

Risk Monitoring and Reporting

We establish and continuously improve our risk monitoring system based on the key risk register, dynamic risk identification and assessment results, and the occurrence of major risk events. This system enables dynamic monitoring of risks to ensure the timely and effective prevention and response to various risks. We strictly implement the operational risk classification reporting mechanism and risk response system, strengthening the prevention of operational risks in each business segment. Based on the actual situation of each business segment, we identify key operational risk warning factors and develop the "Operational Risk Level Classification Indicator Table" for each segment. The warning factors are divided into three risk levels, with clear risk quantification standards and reporting responsibilities. Each business segment strictly adheres to the requirements of the "Operational Risk Reporting and Disposal Management Measures," reporting risk issues in a timely manner according to the prescribed procedures, and formulating and implementing response measures and solutions.

We have established a warning supervision mechanism and formed a warning supervision working group. The group is led by the leader in charge of the Risk Control and Compliance Department, with the general manager of the Risk Control and Compliance Department serving as the deputy leader. The working group also includes risk control specialists and risk control personnel from each business segment as members. The group is responsible for supervising the implementation and progress of solutions to risk warning issues. The working group holds monthly meetings to specifically supervise warning issues, with the responsible departments reporting to the group on their response plans and progress in addressing risk points or warning issues identified during their daily operations.

We have established an emergency response working group for unexpected risks and developed the "Emergency Management Measures for Responding to Unexpected Operational Risk Events." We have set up an emergency response mechanism and clarified the reporting process for unexpected risks to ensure the timely and effective response to and handling of sudden operational risk events, minimizing the potential significant impact such events may have on the company.

In addition, to strengthen the risk control awareness of personnel in the Risk Control and Compliance Department, we encourage employees to promptly identify, report, and address potential risks. We have developed the "Risk Hazard Reporting and Incentive Scheme for Risk Control and Compliance Department Employees." This scheme rewards employees who meet certain criteria, including promptly identifying flaws in risk control systems and processes and proposing optimization suggestions that are adopted, discovering and reporting risks during routine inspections to prevent risk events, or demonstrating exceptional performance in handling risk events and effectively mitigating financial losses for the company. These employees will receive corresponding performance points and rewards during the regular performance evaluations.

Risk Supervision and Inspection

We continuously improve our risk investigation and supervision mechanism. By integrating risk monitoring, we strengthen the risk supervision, inspection, and early warning tracking for each business segment, while urging relevant units to implement corrective actions in a timely manner to enhance operational risk prevention efforts. In 2024:

In 2024

- We participated in the steel industry's "Inventory Safety Joint Action," conducting monthly joint inventory checks of steel warehouses with leading industry enterprises. We inspected multiple processing projects, promptly reporting and warning about identified issues and urging corrective actions.
- We conducted evaluations and management of logistics suppliers, self-managed warehouse operations, inbound and outbound warehouse procedures, bonded warehouse receipt management, and compliance with the "Domestic Trade Direct Delivery Business Work Guidelines," holding specialized meetings to propose corrective measures.
- We performed in-depth analysis and screening of key customers to prevent the risk of overly large exposure to a single customer. For customers whose credit transaction volume exceeds a certain threshold, we conducted debt analysis, and for customers with excessive exposure in the non-ferrous and ferrous metal divisions and Xindeco ITG Automobile Group supply chain business, we conducted risk assessments.
- We inspected the stamp management practices in the supply chain and automotive segments, and prepared optimization reports. We organized self-assessments and cross-checks of stamp management practices across business segments.

We continue to integrate internal control management into daily audit projects, continuously optimizing the internal control system. By strengthening audits of the company and its subsidiaries' operational management and business risk points, we promptly identify deficiencies and issues for corrective action, assisting in improving the compliance and operational level of the company and its subsidiaries.

In 2024, the internal control audit work conducted included:

- We carried out a total of 17 internal audit projects for the company's headquarters and each business segment, identifying 59 audit issues. We proposed 42 corrective actions with deadlines and 8 management suggestions. The completion rate for corrective actions within the deadlines reached 100%.
- We organized self-assessment activities for the effectiveness of internal controls in the company's headquarters functional departments and each business segment for 2023, resulting in the creation of an internal control self-assessment report.
- Based on audit findings, we provided corrective recommendations for internal control weaknesses and high-risk areas in the business operations and management of various business units and functional departments, thereby promoting improvements in corporate management standards.

Special Audit of the Risk Review Meeting

Risk Control and Compliance Education

We actively organize various forms and themes of risk control and compliance education, strengthen the professional development of the risk control team, and cultivate and enhance employees' awareness and expertise in risk management and internal control.

In 2024

- We organized over 9 risk control and compliance-related training sessions, covering topics such as risk control case analysis, new work guidelines for risk review meetings, data entry for tracking exposure business, exposure statistics training, special training on letters of credit, and ERP training for key operational processes and management reports in supply chain operations.
- We conducted internal exams for the company's risk control staff to strengthen their management capabilities, and organized exams on futures management policies for new employees.
- We regularly held internal departmental exchange meetings and risk control and compliance communication sessions with various business segments, sharing cases and experiences to enhance the professional skills and risk management awareness of the risk control team.

Analysis of Classic Supply Chain Business Cases

Digital Risk Control and Development

We continue to advance digital risk control and development, leveraging digital tools to enhance the quality and efficiency of risk management. In 2024, we further optimized the North-South system modules and approval processes, completed the development of the supply chain business inventory module, added new features such as warehouse supervision management, and optimized the "Supply Chain Business Logistics Document Platform," internal transaction contract approval processes, and internal credit evaluation approval processes to improve business approval efficiency. Additionally, we improved the "Risk Review Meeting Tracking Dashboard," designed and developed the non-ferrous ledger sorting program, which is now applied to spot system data imports, and advanced the implementation of the new "Risk Data Dashboard" for emerging segments.

Business Practices

We uphold high standards of business ethics and strictly comply with relevant laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, and the Interim Provisions on Banning Commercial Bribery. We consistently practice integrity and compliant business operations, advocate for free and fair competition, and firmly oppose any form of corruption, bribery, fraud, or other improper conduct. We continually enhance our daily supervision system, risk management, and internal control mechanisms, establishing robust mechanisms for clean risk prevention, integrity supervision, and complaint reporting. By strengthening ethical education, we integrate business ethics into our operations, making every effort to prevent integrity risks, continually improving corporate moral standards, and maintaining an environment of integrity, fairness, justice, and freedom in business.

We are continuously improving our integrity system by developing various policies and documents such as the "Disciplinary Committee Meeting Rules," "Anti-Fraud System," "Integrity Risk Prevention and Control Manual," "Integrity Risk Prevention and Control Embedded in Business Risk Control Work Management Measures (Trial)," "Interim Measures for Special Supervision and Inspection of the Implementation of the Central Eight Provisions '1+X'," "Management Measures for Leaders' Integrity Files," and "Implementation Measures for Regulating Integrity Talks for Leadership Personnel." These documents aim to strengthen the guidance and regulation of integrity construction, anti-corruption, and anti-fraud work, while also preventing integrity risks. We have explicitly outlined prohibited unethical behaviors in our "Anti-Fraud System," such as accepting bribes or kickbacks, embezzling company property, deliberately concealing or misreporting transactions, and disclosing company trade secrets. Furthermore, our "Integrity Risk Prevention and Control Manual" provides detailed guidance on potential corruption and anti-competitive behavior in key areas of business management. For example, during bidding processes, we prohibit setting restrictive conditions that favor specific individuals or unfairly exclude other potential bidders. These documents serve as clear behavior guidelines for all employees and help effectively supervise and manage employee conduct.

In 2024

we actively explored and promoted the establishment of Integrity Officers in enterprises outside of Xiamen. We defined the roles and responsibilities of the Integrity Officers and outlined work requirements. By leveraging the "scout" and "front-line" functions of these officers, we strengthened integrity supervision for enterprises outside of Xiamen, ensuring that supervision extends to the front lines.

Anti-Commercial Bribery and Anti-Corruption

We are responsible for overseeing and leading the integrity construction work through our Discipline Inspection Commission (referred to as the "Disciplinary Committee"). The Disciplinary Committee has an Inspection Office that focuses on three core functions: supervision and inspection, publicity and education, and discipline enforcement and accountability. We assist in fulfilling the responsibilities of supervising the construction of the Party's work style and integrity, improving the integrity risk prevention mechanism, enhancing the supervisory system that shifts focus to the front line, and strengthening our capacity for investigating and handling problem leads. Our goal is to guide employees to adhere to laws and regulations, maintain integrity, and perform duties in accordance with the rules, ensuring that our operations are legal and compliant. To strengthen integrity building and anti-corruption work, we have also established a leading group for Party conduct and anti-corruption work, which is responsible for formulating annual tasks, organizing implementation, providing guidance and supervision, as well as summarizing results and reporting to higher authorities.

Party Conduct andAnti-Corruption WorkLeading Group	• Lead: Chairman of the Board • Members: Deputy Party Secretary, Party Committee Members
Administrative Office	• Lead: Discipline Inspection Office Secretary • Members: Heads of Party Committee Office, SupervisionOffice, HR Dept., Budget Dept., Audit Dept., Legal Dept,

Integrity Risk Prevention and Control

We rely on comprehensive risk management and internal control systems, focusing on key positions and areas, to continuously improve the integrity risk prevention and control mechanism. This system is designed to ensure clear responsibilities, standardized processes, defined risks, and timely warnings. We also continue to update the "Integrity Risk Prevention and Control Manual." Through early prevention of moral, ethical, institutional, and job responsibility risks, mid-term implementation of supervision and reporting mechanisms for effective monitoring, and post-event investigations and handling, we effectively prevent and detect corruption within our business management. By embedding integrity risk control into overall business risk management, we ensure the healthy and high-quality development of the company.

We identify key integrity risk areas, such as construction projects, bidding, property transactions, and bulk trade, based on different business models. We also focus on critical positions related to personnel management, financial control, asset management, and major decision-making. By identifying relevant integrity risk points and their risk levels, we establish appropriate prevention standards and key measures. We continuously track, provide early warnings, and take preventive actions, organizing risk prevention and control investigations to effectively implement the integrity risk management mechanism. In line with our business management practices, we integrate annual integrity risk prevention and control measures into our overall business risk control efforts as a key implementation step of the "Integrity Risk Prevention and Control Manual." Based on a comprehensive review of integrity risk points, we assess the integration of annual integrity risk prevention measures into business risk management. By conducting regular inspections, internal and external audits, and handling reports or issues from whistleblowers, we strengthen dynamic monitoring and management of the integration of integrity risk prevention into business risk management. This ensures the normalization of integrity risk identification and resolution. In 2024, we comprehensively reviewed integrity risk points and expanded the scope of the "Integrity Risk Prevention and Control Manual" to cover business units. We strengthened the integrity risk management for front-line business operations and urged subsidiary second- and third-tier investment companies to establish relevant systems for integrating integrity risk prevention into business risk management.

We fully leverage various forms of supervision—including intra-Party oversight, dedicated supervisory bodies, functional oversight, audit supervision, and public supervision—to continuously improve our supervisory system and ensure comprehensive oversight of integrity risk prevention efforts. By combining regular self-assessments with periodic inspections, and dynamic supervision with integrated evaluations, we enhance the effectiveness of our monitoring, enabling early detection and timely prevention of integrity risks.

In 2024

- We formulated the *Implementation Measures on Deepening the "1+X" Supervision Mechanism*, promoting coordination and synergy across various forms of supervision.
- We conducted 27 pre-appointment integrity interviews, 6 pre-appointment integrity assessments, and issued 52 integrity feedback responses.
- We carried out two rounds of routine "1+X" special inspections, covering 13 locations and prompting corrective action on 11 issues.
- Addressing problems such as private use of public electricity and lack of transparency in EV charging payments, we conducted three rounds of on-site inspections for enterprises equipped with official EVs and charging stations.
- We developed the Embedded Supervision and "Clean Enterprise Protection" Program – Tailored Supervision Plan for Key Projects, implementing embedded supervision across major ongoing construction projects.
- As part of our key governance initiatives, we launched a special campaign to address "irregular official (business) receptions," further reinforcing supervisory practices in this area.
- We carried out a special rectification effort targeting the misuse of overseas project commissions and intermediary fees for personal gain, advancing our anti-corruption efforts abroad and enhancing compliance in international operations.

"1+X" Supervision and Inspections

Routine Supervision and Inspection of "Public Electricity Used for Private Charging"

Supplier Integrity Management

We continue to strengthen integrity management for our suppliers, striving to jointly uphold a standardized, honest, and transparent business environment.

In the digital intelligent technology segment, the business segment signs a Letter of Integrity Commitment and a Confidentiality Agreement with shortlisted suppliers, while actively promoting the company's business ethics policies to them, clearly communicating the integrity requirements they are expected to follow.

In the automobile dealership segment, Xindeco ITG Automobile Group requires suppliers to sign an integrity responsibility agreement or include integrity responsibility clauses in contracts when conducting competitive negotiations, invited tenders, and public tenders. Suppliers are asked to proactively cooperate with the company in integrity risk prevention and control. If it is found that a supplier violates the integrity commitment, they will be placed on the supplier's negative list.

Integrity Accountability Mechanism

To strengthen the awareness of responsibility among all employees and prevent various illegal, unethical, or negligent behaviors, we have established relevant accountability systems and mechanisms. An accountability task force has been set up, consisting of leaders from the Discipline Inspection Commission, Party Committee Office, Supervision Office, Legal Department, Internal Control and Audit Department, Human Resources Department, and the Trade Union, with the Secretary of the Discipline Inspection Commission serving as the leader. The Supervision Office is responsible for the daily operations of the task force. Any interested party can report suspected illegal, unethical, or negligent actions that have caused losses to the company, and the task force can also initiate an accountability investigation directly. If an investigation confirms that a relevant individual is subject to accountability, responsibility will be pursued in accordance with relevant internal regulations, considering the extent of asset losses and the nature of the issues. Possible measures include performance salary deductions, recovery of incentive benefits, suspension, demotion, dismissal, or referral to relevant authorities.

Report → **Investigation** → **Solution**

- The person responsible for reporting the accountability behavior, such as the immediate superior of the person involved or the heads of relevant functional departments, must report to the Accountability Working Group within 5 working days after discovering any accountability situation.
- Others may also report to the Accountability Working Group.

- The Accountability Working Group shall hold a meeting with in 5 working days after receiving the accountability report to decide whether to initiate an accountability investigation.
- If the decision is to proceed, relevant departments will be designated or a special investigation team will be formed to verify the related matters and prepare an investigation report.

- The Accountability Working Group will propose accountability handling recommendations, which will be submitted to the company's Party Committee for review and decision.
- In accordance with the Company Law and internal regulations, relevant accountability procedures will be carried out for different accountable individuals.

Accountability Investigation and Handling Procedures

Development of Integrity Culture

We place great importance on the development of a clean culture and continually enrich and innovate the forms and content of integrity education. This is to ensure widespread and effective promotion of integrity awareness, strengthen the integrity mindset among all employees, and create an atmosphere of integrity and righteousness within the company. In 2024, we organized 83 integrity education activities and 14 warning education sessions. We also utilized platforms such as the company's WeChat official account, internal OA, LED screens, and videos to release 88 pieces of work updates, policy interpretations, and warning cases, reaching 100% of our employees.

Organized
83 integrity education activities

Conducted
14 warning education sessions

Highlight

Focus on deep coverage to strengthen the integrity defense line in different regions

We focus on the central theme of "studying Party discipline" and carry out in-depth Party discipline education. We organize discipline inspection and supervision cadres to "deliver learning to the door." The company's Discipline Inspection Commission conducted a Party discipline education activity on the updated "Regulations on Disciplinary Action of the Communist Party of China" at the Eastern Platform Company, covering three platforms in Shanghai, with approximately 30 participants in the learning sessions.

Highlight

Innovate in educational methods to reinforce the integrity culture

We organized the "Strengthen Party Discipline Education and Build a Clean and Honest ITG" themed integrity culture month activities. We integrated integrity culture into tangible forms and jointly hosted a trunk culture market event with ITG Real Estate, with approximately 220 participants. We also created the "Qinglian Says: Guarding Clear Youth" integrity lecture, which won the second prize in the Xiamen grassroots theoretical lecture competition and the second prize in the third ITG Holding Youth Speech Contest.

Highlight

Leverage red resources to deepen and solidify integrity education

We organized visits to integrity education bases for new Party members, new employees, and newly promoted young leaders. We arranged for our disciplinary inspection and supervision staff to visit the Jinbing Village Integrity Museum to learn about its thousand-year history, the stories of the Huang family's clean officials, and family culture, in order to inherit and promote the integrity culture of the new era. We also organized a visit for the integrity officers and Party members in the Fuzhou region to the Zuohai Qingfeng Study Center, where they participated in the "Study Party Discipline, Promote Integrity, Practice Action" themed activity. Additionally, we arranged for integrity officers and Party members in the Shanghai region to visit the historical exhibition hall of the West Shanghai Workers' School.

Specialized Learning and Education on Correcting Irregular Training Practices

Specialized Learning and Education on Correcting Wasteful Spending, Public Funds for Extravagance, and Hedonism Issues

Specialized Learning on Correcting "New Image Project" Issues

Anti-Unfair Competition

We strictly adhere to the relevant laws and regulations on anti-unfair competition in both our home country and the countries or regions where we operate. We firmly oppose unfair competition and other actions that disrupt market order, consistently upholding integrity in our operations and actively maintaining a free, fair, and honest market competition environment. In 2024, we have not been involved in any lawsuits or administrative penalties due to unfair competition practices.

Tax Compliance

We consistently uphold the bottom line of tax compliance, strictly adhering to the "Enterprise Income Tax Law of the People's Republic of China" and other relevant tax regulations in both our home country and the regions where we operate. We are committed to maintaining the legality, transparency, and stability of our tax practices, ensuring that our tax management aligns with business development and fulfilling our tax obligations in accordance with the law, providing a solid foundation for the company's long-term and stable growth.

We follow the "Internal Control Management Manual" and identify and manage potential tax risks in our operations according to internal control processes. We focus on key risk points, implement effective countermeasures, and ensure compliance with tax obligations, effectively preventing and managing tax risks. We have established a regular communication mechanism with tax authorities in the regions where we operate, engaging in consultations and exchanges on tax policies, regulations, and practical matters to ensure legal and compliant tax practices. Through compliant tax management, we actively foster harmonious relationships with tax authorities, shareholders, partners, and society, contributing to the optimization and enhancement of the tax environment.

In 2024, we signed a joint development agreement with the relevant departments of the tax authority and conducted tax compliance training for our finance and tax personnel. This initiative strengthened the interaction between the company and the tax authorities and helped enhance the overall tax management level within the company.

Tax Credit Evaluation and Restoration Specialized Training

In 2024

we paid a total of
249,582.10
thousand RMB in taxes, and no tax violations occurred.

Complaint Mechanism and Whistleblower Protection

We outline our proactive attitude and stance towards complaints and reports from employees and other stakeholders in the "Anti-fraud System," with clear provisions regarding the channels for complaints, the handling of complaints, and reporting procedures. For any suspected violations of business ethics, we encourage employees and other stakeholders to lodge complaints and provide feedback through hotlines, email, letters, or other means, in order to collectively uphold an environment of integrity, fairness, and impartiality in business. The Supervision Office is responsible for managing the hotline, email, and postal complaints, receiving complaints and reports from employees and other stakeholders, whether anonymously or with identification, and promptly reporting them to the management or the board of directors.

In addition, we have developed the "Network Reflection Platform for Clue of Problem" and the "Feedback Platform for Opinions and Suggestions" as important channels for internal employees to report issues and provide suggestions. Through effective integration of supervisory forces and information resources, we gradually achieve real-time online collection of problem clues and feedback, online classification and processing, and offline supervision and rectification, forming a standardized, convenient, and efficient pattern of normalized supervision.

At the same time, we also attach great importance to the protection of complainants. Protection measures for complainants are clearly stipulated in the "Anti-Fraud System". We strictly implement a confidentiality mechanism for complaints and reports, and relevant personnel are prohibited from disclosing any information about complainants or the content of complaints and reports to any department or individual without authorization. Any form of illegal discrimination or retaliation against complainants is strictly prohibited. Personnel found to have leaked information about complainants or engaged in retaliatory actions against complainants will face dismissal or termination of their labor contracts. If their actions violate the law, they will be referred to judicial authorities for legal proceedings.

Complainants can lodge complaints and reports anonymously or with identification through the following channels:

· **Complaint Hotline:**
  0592-5608195
· **Complaint Email:**
  csq@xindeco.com.cn
· **Mailing Address:**
  Unit 1101, Block A, ITG Center, No. 4688 Xianyue Road, Huli District, Xiamen City

Data Overview

Environment				
Metrics	**Unit**	**2022**	**2023**	**2024**
Enviromental Investment				
Annual total environmental investment	Ten-thousand RMB	139.67	178.41	125.63
Environmental Management				
Annual number of environmental emergency drills	Times	/	45	41
Emissions and Discharge				
GHG				
Scope 1 – Direct GHG emissions	tCO$_2$e	1,594.00	1,560.13	1,445.97
Scope 2 – Indirect GHG emissions from purchased energy		24,981.80	27,170.77	24,375.33
Total GHG emissions (Scope 1+ Scope 2)		26,575.80	28,730.90	25,821.30
Emission intensity	tCO$_2$e /hundred-million RMB of operating revenue	28.27	40.16	58.97
Air Pollutants				
PM emissions	Ton	0.40	0.03	0.03
Wastewater and Related				
Total wastewater discharges	m^3	21,645.32	59,312.62	56,120.20
Including:Discharged into surface water		3,312.00	5,600.00	5,563.00
Discharged to sewage treatment plant		18,333.32	53,712.62	50,557.20
Waste				
Hazardous Waste				
Hazardous waste generated	Ton	660.17	686.56	689.49
Transfer and disposal volume of hazardous waste		660.17	686.56	689.49
General Waste				
General waste generation	Ton	1,960.70	1,165.23	802.91
Including: Industrial waste generated		377.05	821.85	485.54
Domestic waste generated		1,583.65	343.38	317.37
General waste recycled		243.64	230.36	254.35
Including: Industrial waste recycled		85.95	67.65	90.54

Environment				
Metrics	**Unit**	**2022**	**2023**	**2024**
Domestic waste recycled	Ton	157.69	162.71	163.81
Energy Consumption				
Electricity consumption	kWh	43,804,658.56	48,491,667.63	46,248,893.78
Including: Green electricity consumption		/	848,721.08	823,388.80
Electricity consumption density	kWh/ hundred-million RMB of operating revenue	46,600.40	67,782.43	105,626.01
Natural gas consumption	m^3	0	170.12	0
Liquefied petroleum gas consumption	Ton	1.44	0	0
Gasoline consumption	Litre	313,390.51	426,323.85	372,817.75
Diesel consumption (mobile sources)		228,102.03	220,373.50	204,445.83
Diesel consumption (stationary sources)		100.00	0	0
Water Resources				
Water withdrawal in water-stressed regions	m^3	/	0	0
Water withdrawal		/	336,713.77	517,729.88
Water consumption		/	277,401.14	461,609.68
Water consumption density	m^3/ hundred-million RMB of operating revenue	/	387.76	1,054.25

Employment				
Metrics	**Unit**	**2022**	**2023**	**2024**
Employee Composition				
Total employees	Person	4,045	4,326	3,998
Including:Full-time employee		/	4,326	3,998
Part-time employee		/	0	0
Non-employee workers		/	0	0
Employee Composition				
Employee Composition by Gender				
Male	Person	2,518	2,782	2,479
Female		1,527	1,544	1,519
Employee Composition by Age				
Under 30	Person	1,344	1,387	1,151
Between 30-50		2,554	2,829	2,716
Over 50		147	110	131
Employee Composition by Education				
Masters degree and above	Person	132	148	147
Bachelors degree		1,071	1,164	1,146
Other degrees		2,842	3,014	2,705
Employee Composition by Function				
Production personnel	Person	1,115	1,477	1,438
Sales personnel		905	960	893
Technical personnel		1,167	1,011	837
Financial personnel		351	373	348
Administrative personnel		507	505	482
Female production personnel		485	499	573
Female sales personnel		328	356	413
Female technical personnel		161	132	28
Female financial personnel		291	309	294
Female administrative personnel		232	248	211

Employment				
Metrics	**Unit**	**2022**	**2023**	**2024**
Number of employees in STEM (Science, Technology, Engineering, and Mathematics) positions	Person	/	105	118
Number of female in STEM (Science, Technology, Engineering, and Mathematics) positions		/	16	26
Proportion of female in STEM (Science, Technology, Engineering, and Mathematics) positions	%	/	15.24	22.03
Employee Composition by Nationality				
China	Person	4,041	4,323	3,993
Others		4	3	5
Employee Composition by Ethnic				
Han	Person	/	4,189	3,853
Other		/	137	145
Employment of Local Employees				
Number of employees locally hired within the province	Person	3,223	2,665	2,570
Proportion of employees locally hired within the province	%	79.68	61.60	64.28
Number of female employees locally hired within the province	Person	1,203	1,006	1,006
Proportion of female employees locally hired within the province	%	78.78	65.16	66.23
Number of male employees locally hired within the province	Person	2,020	1,659	1,564
Proportion of male employees locally hired within the province	%	49.94	38.35	39.12
Number of senior management locally hired within the province	Person	/	8	7
Proportion of senior management locally hired within the province	%	/	100.00	100.00
Number of female senior management locally hired within the province	Person	/	1	1
Proportion of female senior management locally hired within the province	%	/	100.00	100.00
Employment of Disabled Individuals				
Number of disabled employees hired	Person	5	5	4
Propotion of disabled employees hired	%	0.12	0.12	0.10
Management Composition by Gender				
Management personnel	Person	/	170	172
Including:Female management personnel		/	49	54
Proportion of female management personnel	%	/	28.82	31.40
Senior management personnel	Person	/	8	7

Employment				
Metrics	Unit	2022	2023	2024
Including: Female senior management personnel	Person	/	1	1
Proportion of female senior management personnel	%	/	12.50	14.29
Mid-level management personnel	Person	/	49	44
Including: Female mid-level management personnel		/	17	15
Proportion of Female mid-level management personnel	%	/	34.69	34.09
Junior management personnel	Person	/	113	121
Including: Female junior management personnel		/	31	38
Proportion of female junior management personnel	%	/	27.43	31.40
Management personnel in revenue-generating departments	Person	/	103	96
Including:Female management personnel in revenue-generating departments		/	19	20
Proportion of female management personnel in revenue-generating departments	%	/	18.45	20.83
Labor Contract Signing				
Employees with signed labor contracts	Person	4,045	4,326	3,998
Labor contract signing rate	%	100.00	100.00	100.00
Support for Employee Career Planning and Job Changes				
Number of internal transfers or internal job applicants	Person	/	180	138
Proportion of internal transfers or internal job applicants	%	/	4.16	3.45
Employee Training				
Total annual investment in employee training	Ten-thousand RMB	189.34	186.37	216.07
Total number of employees trained	Person	4,045	4,326	3,998
Average training cost per employee	Ten-thousand RMB	/	0.04	0.05
Number of female employees trained	Person	1,527	1,544	1,519
Number of male employees trained		2,518	2,782	2,479
Proportion of female employees trained	%	100.00	100.00	100.00
Employee training coverage rate		100.00	100.00	100.00
Total number of employee training sessions	Times	/	/	233
Total training participants	Participant	/	21,917	23,498
Total employee training hours	Hour	12,135.00	83,593.50	63,329
Average training hours per employee		3.00	19.32	15.84

Employment				
Metrics	Unit	2022	2023	2024
Employee Training by Type				
Total hours of online training	Hour		1,302.00	4,237.00
Total hours of on-the-job coaching		/	2,618.00	2,400.00
Total hours of leadership training		/	2,814.00	1,794.00
Total hours of other types of training		/	/	300.00
Total hours of professional skills training		/	69,990.00	54,238.00
Total hours of cultural competency training		/	6,870 .00	360.00
Average training hours per female employee		/	20.00	16.88
Average training hours per male employee	Hour	/	18.00	15.20
Average training hours per employee under 30		/	17.30	15.90
Average training hours per employee between 30-50		/	28.17	16.10
Average training hours per employee over 50		/	12.50	9.93
Average training hours per junior mangement personnel		/	15.47	64.00
Average training hours per mid-level mangement personnel		/	18.50	58.00
Average training hours per senior mangement personnel		/	24.00	107.70
Average training hours per Chinese personnel		/	19.32	15.86
Employee Performance				
Proportion of employees undergoing regular performance and career development assessments	%	/	100.00	100.00
Freedom of Association and Collective Bargaining[1]				
Total number of employees in trade union	Person	/	2,271	2,051
Proportion of employees covered by collective agreements	Person	/	2,271	2,051
Human Rights Impact Assessment				
Number of operational sites at risks of freedom of association and collective bargaining rights	Count	/	0	0
Number of operational sites at significant risks of child labor incidents		/	0	0
Number of operational sites at significant risks of forced or compulsory labor incidents		/	0	0

Note 1: Data on freedom of association and collective bargaining only includes operations located in Xiamen.

Security Practice

Metrics	Unit			
Number of security personnel trained in human rights policies or procedures	Person	/	30	98
Number of security personnel employed by the company	Person	/	5	10
Number of third-party security personnel		/	25	88
Proportion of security personnel trained in human rights policies or procedures	%	/	100.00	100.00

Market				
Metrics	**Unit**	**2022**	**2023**	**2024**
Incidents of Non-compliance Affecting the Safety and Quality of Products and Services				
Total number of incidents of non-compliance affecting the safety and quality of products and services	Case	/	/	0
Amount of damages from major liability accidents affecting the safety and quality of products and services	Ten-thousand RMB	/	/	0
Incidents of Non-compliance Related to Product and Service Information and Labeling				
Total number of incidents of non-compliance related to product and service information and labeling	Case	/	/	0
Incidents of Non-compliance Related to Marketing Communications				
Total number of incidents of non-compliance related to marketing communications	Case	/	/	0
Information Security and Privacy Protection				
Information security incident	Case	0	0	0
Number of incidents involving personal identity information breaches	Case	/	/	0
Proportion of incidents involving personal identity information breaches	%	/	/	0
Number of customers affected by data breaches	Person	/	0	0
Number of employees affected by data breaches	Person	/	0	0
Incidents of customer privacy violations	Case	/	0	0
Complaints Received and Complaint Resolution				
Total number of complaints	Case	/	114	66
Total number of resolved complaints	Case	/	106	63
Complaint resolution rate	%	95.28	92.98	95.45
Customer Satisfaction				
Number of participants in customer satisfaction surveys	Person	/	25,324	26,171
Number of highly satisfied customers	Person	/	/	24,864

Market				
Metrics	**Unit**	**2022**	**2023**	**2024**
Proportion of highly satisfied customers	%	/	/	95.00
Technology Research and Development				
Total R&D investment amount in technology	Ten-thousand RMB	5,413.24	5481.78	4,567.95
Ratio of R&D investment to revenue from core businesses	%	/	/	0.10
Number of R&D personnel	Person	/	/	79
Proportion of R&D personnel	%	/	/	1.98
Intellectual Property				
Number of invention patents applied to the core businesses	Item	/	/	19
Number of new patent applications		/	/	41
Number of new patents granted		/	/	21
Number of new copyright applications		/	/	29
Number of new copyright registrations	Item	/	/	35
Number of new intellectual property rights		/	/	56
Total number of granted patents		/	/	235
Total number of registered copyright		/	/	131
Total number of registered trademarks		/	/	135
Suppliers				
Regional Distribution				
Total number of suppliers		3,055	4,247	5,176
Number of suppliers in the province where the company is located		459	877	1,174
Number of suppliers in Mainland China		2,584	3,792	4,690
Number of suppliers in other regions	Count	/	455	486
Number of tier-1 suppliers		/	1,658	1,741
Number of tier-2 suppliers		/	2,484	2,315
Number of key suppliers		/	47	40
Supplier Audit				
Number of new suppliers admitted in the year		789	855	369
Number of new suppliers selected via social performance metrics	Count	/	14	58
Number of new suppliers selected via environmental performance metrics		/	/	7

Market				
Metrics	**Unit**	**2022**	**2023**	**2024**
Total number of suppliers evaluated through desk research	Count	/	301	45
Total number of suppliers audited on-site		/	35	30
Number of suppliers audited in the year		/	/	50
Number of key suppliers audited in the year		/	38	9
Number of suppliers assessed with significant actual/potential negative impacts		/	/	2
Number of suppliers terminated due to significant actual/potential negative impacts		/	/	1
Number of suppliers completing improvements after evaluation		/	2	0
Number of potential suppliers excluded in 2024 due to non-compliance with social responsibility		/	/	4
Supplier ESG Training				
Total number of suppliers participating in the supplier capacity-building program	Count	/	/	4
Total number of key suppliers participating in the supplier capacity-building program		/	/	4
Number of suppliers participating in ESG training		/	/	4
Total number of suppliers' ESG training participants	Participant	/	/	18
Total duration of suppliers' ESG training	Hour	/	/	27
Procurement Pactices				
Proportion of company expenditure on suppliers in the province where it operates	%	/	8.98	15.69
Supplier Human Rights Impact Assessment				
Number of suppliers at risks of freedom of association and collective bargaining rights	Count	/	/	0
Number of suppliers at significant risks of child labor incidents		/	/	0
Number of suppliers at significant risks of forced or compulsory labor incidents		/	/	0

Occupational Health and Safety				
Metrics	**Unit**	**2022**	**2023**	**2024**
Work Safety Input				
Total annual input in occupational health and work safety	Ten-thousand RMB	/	307.54	324.59
Total annual investment in production safety liability insurance		/	/	0.6
Investment amount in workers' compensation insurance		/	99.54	124.93

Occupational Health and Safety				
Metrics	**Unit**	**2022**	**2023**	**2024**
Coverage rate of workers' compensation insurance	%	/	100.00	100.00
Safety Training				
Total participants in occupational health and safety training	Particpant	2,228	3,563	3,710
Total occupational health and safety training hours	Hour	4,036.00	5,344.50	5,565.00
Total number of people receiving safety training	Person	1,489	1,237	1,559
Proportion of people receiving safety training	%	36.81	28.59	38.99
Total number of female receiving safety training	Person	566	446	577
Proportion of female receiving safety training	%	38.01	36.05	37.01
Number of safety emergency drills	Times	29	44	34
Number of attendees for safety emergency drills	Participant	/	923	884
Number of offline safety training sessions	Session	64	84	81
Number of online safety training courses	Course	44	15	15
Work Safety Accident				
Extra-major accident	Case	0	0	0
Major accident		0	0	0
Serious accident		0	0	0
General accident		0	0	0
Number of work stoppages	Times	0	0	0
Duration of work stoppages	Day	0	0	0
Occupational Health and Safety Performance				
Occupational injuries	Person	0	0	0
Occupational fatalities		0	0	0
Occupational fatality rate	%	0	0	0
Total duration of occupational injury losses	Hour	0	0	0
Total number of occupational injury incidents	Case	0	0	0
Total Recordable Injury Frequency Rate (TRIFR) - Employees	/	0	0	0
Lost Time Injury Frequency Rate (LTIFR) - Employees		0	0	0
Total number of contractor occupational injury incidents	Case	0	0	0

Occupational Health and Safety

Metrics	Unit	2022	2023	2024
Total duration of occupational injury losses for contractors	Hour	0	0	0
Total Recordable Injury Frequency Rate (TRIFR) - Contractors	/	0	0	0
Lost Time Injury Frequency Rate (LTIFR) - Contractors		0	0	0

Community

Metrics	Unit	2022	2023	2024
Volunteer Service				
Number of volunteer service events	Times	/	110	65
Total number of volunteers	Person	/	434	325
Total number of volunteer service participants	Participant	1,694	518	743
Total volunteer service hours	Hour	4,553.00	921.00	1,135.00
Average volunteer hours per employee		/	/	3.49
Number of environmental public welfare activities	Times	/	5	1
Indigenous Rights				
Number of incidents infringing indigenous rights in operational locations	Case	/	0	0
National Strategy Response				
Industrial transformation	Ten-thousand RMB	/	680.53	882.23
Total trade volume with Belt and Road Countries		/	/	49,226
Rural Revitalization				
Investment in rural revitalization	Ten-thousand RMB	/	42.93	98.70
Number of people benefiting from rural revitalization	Person	/	/	3,053
Local Community				
Number of ongoing operational sites	Count	/	/	2
Total number of operational sites		/	/	48

Governance

Metrics	Unit	2022	2023	2024
Business Ethics				
Anti-corruption Advocacy and Training				
Proportion of board members, supervisors, and senior management briefed on anti-corruption policies and procedures	%	/	100.00	100.00
Proportion of employees briefed on anti-corruption policies and procedures		/	100.00	100.00
Proportion of board members, supervisors, and senior management received anti-corruption training		/	100.00	100.00
Proportion of employees received anti-corruption training		/	100.00	100.00
Business Ethics Violations				
Conflict of interest incidents	Case	/	0	0
Money laundering or insider trading incidents		/	/	0
Lawsuits or administrative penalties resulting from unfair competition incidents		/	0	0

Guidelines No. 17 of Shenzhen Stock Exchange for the Self-Regulation of Listed Companies - Sustainability Report (Trial)

Topic	Clause	Location
Chapter III Environmental Disclosure		
Climate Response	Article 21-28	Climate Response
Pollutant Discharge	Article 30	Pollutant Discharge
Waste Disposal	Article 31	Waste Disposal
Ecosystem and Biodiversity Protection	Article 32	Ecosystem and Biodiversity Protection
Environmental Compliance Management	Article 33	Environmental Compliance Management
Energy Utilization	Article 35	Energy Utilization
Water Resource Utilization	Article 36	Water Resource Utilization
Circular Economy	Article 37	Circular Economy
Chapter IV Social Disclosure		
Rural Revitalization	Article 39	Rural Revitalization
Social Contributions	Article 40	Social Contributions
Innovation	Article 42	Innovation-driven Development
Ethics of Science and Technology	Article 43	Not Applicable
Supply Chain Security	Article 45	Responsible Sourcing Supply Chain Security
Equal Treatment of SMEs	Article 46	Equal Treatment of SMEs
Product and Service Safety and Quality	Article 47	Product and Service Safety and Quality
Data Security and Customer Privacy	Article 48	Data Security and Customer Privacy
Employees	Article 50	Employees
Chapter V Disclosure of Corporate Sustainability-Related Governance Information		
Due Diligence	Article 52	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Responsible Sourcing Supply Chain Security
Stakeholder Engagement	Article 53	Stakeholder Engagement
Anti-Commercial Bribery and Anti-Corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption
Fair Competition	Article 56	Anti-Unfair Competition

SASB Index

SASB Topics	Accounting Metrics	Location
Energy Management in Retail & Distribution	CG-MR-130a.1: (1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable energy	Energy Utilization Data Overview
Data Security	CG-MR-230a.1: Discussion of management approach to identifying and addressing data security risks	Data Security and Customer Privacy
	CG-MR-230a.2: (1) Number of data security breaches (2) Percentage involving customers' personally identifiable information (PII) (3) Number of customers affected	Data Security and Customer Privacy Data Overview
Fair Labor Practices	CG-MR-310a.1: (1) Average hourly wage (2) Percentage of in-store employees earning minimum wage, by region	Not Applicable
	CG-MR-310a.2: Employee turnover rate for in-store employees (1) Voluntary (2) Involuntary	Not Applicable
	Amount of legal and regulatory fines and settlements associated with labor law violations	Not available in this report
Workforce Diversity & Inclusion	CG-MR-330a.1: Percentage of gender and racial/ethnic group representation for (1) Management (2) All other employees	Data Overview
	CG-MR-330a.2: Amount of legal and regulatory fines and settlements associated with employment discrimination	Not Applicable
Product sourcing, Packaging, and Marketing	CG-MR-410a.1: Revenue from products third-party certified to environmental and/or social sustainability standards	Not available in this report
	CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in products	GHG Emission Reduction Actions Responsible Sourcing
	CG-MR-410a.3: Description of strategies to reduce the environmental impact of packaging	Waste Disposal
	CG-MR-000.A: (1) Number of retail locations (2) Number of distribution centers	Not available in this report
	CG-MR-000.B: (1) Retail space (2) Distribution centers	Not available in this report

ESRS Index

European sustainability reporting standards (ESRS)		Location/omission
ESRS 2 General Disclosures		
BP-1	General basis for the preparation of sustainability statements	About This Report
BP-2	Disclosures in relation to specific circumstances	Not Applicable
GOV-1	The role of the administrative, management and supervisory bodies	Governance Structure and Mechanisms Governance Structure and Mechanisms
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance Structure and Mechanisms Risk and Compliance Management
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance Structure and Mechanisms Occupational Health and Safety
GOV-4	Statement on due diligence	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Responsible Sourcing Supply Chain Security
GOV-5	Risk management and internal controls over sustainability reporting	Risk and Compliance Management Climate-Related Risks, Opportunities, and Financial Impacts
SBM-1	Strategy, business model and value chain	Climate Strategy Responsible Sourcing Supply Chain Security
SBM-2	Interests and views of stakeholders	Stakeholder Engagement
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Management of Material Matters Risk and Compliance Management Climate-Related Risks, Opportunities, and Financial Impacts
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Management of Material Matters Risk and Compliance Management
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	About This Report Management of Material Matters Index
ESRS E1 Climate Change		
E1-1	Transition plan for climate change mitigation	Climate Strategy
E1-2	Policies related to climate change mitigation and adaptation	Climate Strategy
E1-3	Actions and resources in relation to climate change policies	Climate Response Circular Economy
E1-4	Targets related to climate change mitigation and adaptation	Climate-related Metrics and Targets
E1-5	Energy consumption and mix	Energy Utilization Data Overview
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	GHG Emissions Management Data Overview
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not Applicable
E1-8	Internal carbon pricing	Not Applicable

European sustainability reporting standards (ESRS)		Location/omission
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Climate-Related Risks, Opportunities, and Financial Impacts Management of Material Matt
ESRS E2 Pollution		
E2-1	Policies related to pollution	Wastewater Discharge Management Air Emissions Management Waste Disposal
E2-2	Actions and resources related to pollution	Wastewater Discharge Management Air Emissions Management Waste Disposal
E2-3	Targets related to pollution	Environmental
E2-4	Pollution of air, water and soil	Wastewater Discharge Management Air Emissions Management Waste Disposal
E2-5	Substances of concern and substances of very high concern	Wastewater Discharge Management Air Emissions Management Waste Disposal Circular Economy
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Not Applicable
ESRS E3 Water and Marine Resources		
E3-1	Policies related to water and marine resources	Water Resources Utilization
E3-2	Actions and resources related to water and marine resources	Water Resources Utilization
E3-3	Targets related to water and marine resources	Environmental
E3-4	Water consumption	Data Overview
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not Applicable
ESRS E4 Biodiversity and Ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Not Applicable
E4-2	Policies related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-3	Actions and resources related to biodiversity and ecosystems	Ecosystem and Biodiversity Protection
E4-4	Targets related to biodiversity and ecosystems	Environmental
E4-5	Impact metrics related to biodiversity and ecosystems change	Not Applicable
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not Applicable
ESRS E5 Resource Use and Circular Economy		
E5-1	Circular Economy Policies related to resource use and circular economy	Circular Economy

European sustainability reporting standards (ESRS)		Location/omission
E5-2	Circular Economy Actions and resources related to resource use and circular economy	Circular Economy
E5-3	Circular Economy Targets related to resource use and circular economy	Environmental
E5-4	Resource inflows	Circular Economy
E5-5	Resource outflows	Circular Economy
E5-6	Circular Economy Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not Applicable
ESRS S1 Own Workforce		
S1-1	Policies related to own workforce	Employees
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Employee Communication
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Employee Communication
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Employees
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Employees
S1-6	Characteristics of the undertaking's employees	Equal Employment Data Overview
S1-7	Characteristics of non-employees in the undertaking's own workforce	Data Overview
S1-8	Collective bargaining coverage and social dialogue	Employee Communication Data Overview
S1-9	Diversity metrics	Equal Employment Data Overview
S1-10	Adequate Wages	Employee Compensation and Benefits
S1-11	Social protection	Employee Compensation and Benefits
S1-12	Persons with disabilities	Data Overview
S1-13	Training and skills development metrics	Employee Training Data Overview
S1-14	Health and safety metrics	Occupational Health and Safety Data Overview
S1-15	Work-life balance metrics	Employee Compensation and Benefits
S1-16	Remuneration metrics (pay gap and total remuneration)	Not available in this report
S1-17	Incidents, complaints and severe human rights impacts	Data Overview
ESRS S2 Workers in the Value Chain		
S2-1	Policies related to value chain workers	Responsible Sourcing

European sustainability reporting standards (ESRS)		Location/omission
S2-2	Processes for engaging with value chain workers about impacts	Responsible Sourcing
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Responsible Sourcing
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Responsible Sourcing
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Suppliers and Customers
ESRS S3 Affected Communities		
S3-1	Policies related to affected communities	Social Contributions
S3-2	Processes for engaging with affected communities about impacts	Social Contributions
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Social Contributions
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Rural Revitalization Social Contributions
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social
ESRS S4 Consumers and End-users		
S4-1	Policies related to consumers and end-users	Product and Service Safety and Quality Data Security and Customer Privacy
S4-2	Processes for engaging with consumers and end-users about impacts	Product and Service Safety and Quality Data Security and Customer Privacy
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Product and Service Safety and Quality Data Security and Customer Privacy
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Product and Service Safety and Quality Data Security and Customer Privacy
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Product and Service Safety and Quality
ESRS G1 Business Conduct		
G1-1	Business conduct policies and corporate culture	Business Practices
G1-2	Management of relationships with suppliers	Responsible Sourcing Supply Chain Security Equal Treatment of SMEs
G1-3	Prevention and detection of corruption and bribery	Anti-Commercial Bribery and Anti-Corruption Complaint Mechanism and Whistleblower Protection
G1-4	Incidents of corruption or bribery	Anti-Commercial Bribery and Anti-Corruption Data Overview
G1-5	Political influence and lobbying activities	Not Applicable
G1-6	Payment practices	Equal Treatment of SMEs

ISDS Index

IFRS S1

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a) The governance body(s) (which can include aboard, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
Strategy	a) The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b) The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c) How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	d) The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Management of Material Matters
	e) The resilience of the entity's strategy and its business model to those sustainability-related risks	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses，whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
	b) The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c) The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
Metrics and Targets	a) Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Environmental Social Governance
	b) Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.	Environmental Social Governance
	c) Any targets the entity has set it is required to meet by law or regulation.	Environmental Social Governance

IFRS S2

Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Governance Structure and Mechanisms Risk and Compliance Management
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Governance Structure and Mechanisms Risk and Compliance Management
Strategy	a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	b) The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain climate-related risks and opportunities are concentrated	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c) Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	d) The quantitative and qualitative effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Management of Material Matters
	e) The entity's assessment of its climate resilience, including the entity's assessment for its strategy and business model, the significant areas of uncertainty considered in the entity's assessment of its climate resilience and the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
	b) The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Management of Material Matters Climate-Related Risks, Opportunities, and Financial Impacts
	c) The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Climate-Related Risks, Opportunities, and Financial Impacts Risk and Compliance Management
Metrics and Targets	a) The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.	GHG Emissions Management
	b) Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	GHG Emissions Management
	c) The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.	Environmental Social Governance